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NOTICE TO READERS: Materials on the Ninth Conference of the Heads of State or Government of the Nonaligned Movement, being held in Belgrade, Yugoslavia from 4-7 September, will be published in supplement form with an East Europe DAILY REPORT cover, starting on 6 September 1989, issue number 171.

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Cuba

Raul Castro Denounces 'New Subversive' TV Plans

FL0509183089 Havana Radio Rebelde Network in Spanish 1700 GMT 5 Sep 89

[Station commentary]

[Text] In the in-depth speech that Army General Raul Castro gave just a few hours ago in Belgrade, he analyzed practically all the sensitive situations throughout the world. The case of Cuba could not be left out of that analysis and position.

Raul very clearly denounced the new subversive plans of the United States against Cuba. He reiterated that our country will respond without hesitation and will not be intimidated by every hostile act committed by the U.S. Government, particularly the U.S. project for subversive television broadcasts against Cuba.

Although Cuba has already denounced these plans whenever possible, and even though everyone knows—including the United States—the position of our country's political directorate on this matter, it was undoubtedly important and opportune for the voice of the Cuban revolution to be heard on this topic at the Belgrade nonaligned summit.

It is once again clear that Cuba will never accept living with limitations on its sovereignty as the empire is trying to make it do, no matter how much the already damaged Cuban-U.S. relations deteriorate.

Raul also mentioned the blockade and the unprecedented political harassment and defamation campaign the U.S. Government is waging against the Cuban revolution and its leaders. He very clearly mentioned the example that, not long ago, the United States attacked our country because of the level of relations we had with the Soviet Union. Today, the United States is doing the same thing for the opposite reason; that is to say because Cuba acts independently and with its own criteria, as it has always done, demanding its right to build socialism, and assume the position that it considers to be the most worthy—firm—according to its principles. This is in order to carry forth the revolution which—as Raul stressed—we waged for ourselves and we defend with our own skin.

Coverage of Aftermath of Cubana Airline Crash

Castro Sends Condolence Message

FL0609023389 Havana Television Service in Spanish 0000 GMT 6 Sep 89

[Text] Commander in Chief Fidel Castro Ruz, president of the Council of State and Government of the Republic of Cuba, sent the following condolence message to His Excellency Mr Giulio Andreotti, president of the Council of Ministers of the Italian Republic: It is with deep sorrow that I express to you my sincerest condolences for the loss of human life caused by the regrettable plane accident that occurred in my country. I beg you, Mr President, to convey my deepest condolences to the Italian Government and people, especially the relatives of the victims.

At this same time, I reiterate to you my deepest respect.

Fidel Castro also sent the following condolence message to His Excellency Mr Francesco Cossiga, president of the Italian Republic: In these moments of pain caused by the loss of human life due to the regrettable plane accident that occurred in my country, I express to you, on behalf of the Cuban Government and people our deepest condolences which I ask you to convey to the relatives of the victims, as well as the Italian Government and people.

On this very sad occasion, I reiterate my deepest respects to you.

Gorbachev's Sends Condolences

FL0509200289 Havana Radio Reloj Network in Spanish 1932 GMT 5 Sep 89

[Text] Soviet President Mikhail Gorbachev sent a condolence message to Commander in Chief Fidel Castro in connection with Sunday's crash of the Cubana Airlines plane.

In the document, the general secretary of the CPSU asks the Cuban leader to convey his condolences to the relatives of the victims killed in the accident, of which 112 were Italian.

The accident also caused many injuries because it crashed in a populated area located 1 km from the runway at Jose Marti International Airport. Gorbachev's message to Fidel also conveys a condolence message from the CPSU, as well as the Soviet Government and people.

The plane that crashed was Soviet-made Il-62. The flight covered the Havana-Cologne-Milan route.

Crash Site Aid Lauded

FL0509150989 Havana Tele-Rebelde Network in Spanish 1100 GMT 5 Sep 89

[Text] The Executive Bureau of the Provincial Committee of the Communist Party of Cuba in Havana City has recognized all those people and institutions that set a great example of human sensitivity by offering their valid and unselfish help in the air accident that occurred last Sunday in our capital.

The Executive Bureau said that during this painful event for the country, the people of the capital, especially from Boyeros Municipality, showed a high-level of human solidarity when they spontaneously rendered assistance to the victims of the air disaster that occurred in the proximity of the Jose Marti International Airport.

It is right to recognize, says the note, the attitude of cooperation and solidarity shown by a group of provincial organizations and state centers, which quickly provided the resources and means to confront that difficult situation.

Gen Casas Regueiro Welcomes Returning Combatants

FL0509163089 Havana Tele-Rebelde Network in Spanish 1100 GMT 5 Sep 89

[Text] In a flight returning from the People's Republic of Angola, more than 150 internationalist combatants returned to the fatherland last night. They were fraternally welcomed at the airport by Division General Senen Casas Regueiro, alternate member of the Politburo of the Communist Party of Cuba; Division General Sergio del Valle, on behalf of the Revolutionary Armed Forces; and Colonel (Quever Marti), on behalf of the Interior Ministry.

Major Julian Leal Perez heads the returning group, which consists of more than a hundred combatants who all earned different medals. One of the youths wears the Ignacio Agramonte Medal.

Dominica

Labor Party Warned Against Fund-Raising Travels

FL0509153889 Bonaire Trans World Radio in English 1130 GMT 5 Sep 89

[Text] Dominican Prime Minister Eugenia Charles has warned the opposition Labor Party about its alleged international fund-raising. That's in response to reports that a Labor Party official traveled to Cuba, Libya, North Korea, and Eastern Europe to raise funds.

Mrs Charles said during a rally yesterday that the people funding the opposition want to take over Dominica. She also criticized the Labor Party's opposition to her ruling Freedom Party's membership in the Caribbean Democratic Union.

Dominican Republic

Ambassador to Panama Withdrawn for 'Consultations'

PA0509191489 Buenos Aires REUTER in Spanish 1715 GMT 5 Sep 89

[Text] Santo Domingo, 5 Sep (REUTER)—A top Dominican diplomatic source has said that the government withdrew its ambassador to Panama "for consultations" on that country's situation. Deputy Foreign Minister Fabio Herrera Cabral said Ambassador Hector Pereyra Ariza arrived on Friday in Santo Domingo and had met with Foreign Minister Joaquin Ricardo.

Herrera Cabral said the sole purpose of the ambassador's recall was to obtain firsthand information on the Panamanian situation. He said the recall did not entail a break in relations.

However, he did not say when Pereyra will be returning to Panama.

Several Latin American countries have recalled their ambassadors in recent weeks following Panama's inability to find a constitutional solution to the crisis that ensued when the May elections were annulled.

The provisional government, headed by President Francisco Rodriguez and backed by Panamanian military strongman Manuel Antonio Noriega, took power on 1 September in place of the probable winners of those elections.

Jamaica

Dollar Crisis; Manley Cancels Belgrade Trip

FL0509163289 Bridgetown CANA in English 1458 GMT 5 Sep 89

[Text] Kingston, Jamaica, Sept 5, CANA— Jamaican Prime Minister Michael Manley has cancelled his trip to the non-aligned summit in Belgrade in order to deal with the crisis surrounding the creeping devaluation of the Jamaican dollar.

Jamaica House said on Monday that Prime Minister Manley will be staying home to "personally direct the implementation of the measures needed to deal with the stability of the dollar."

The continuing slide of the Jamaican dollar at the weekly foreign exchange auctions is causing serious concern here with several persons including opposition leader Edward Seaga pressuring the government to take corrective action immediately.

The dollar which lost 20 cents in value during August traded at 5.75 Jamaican dollars to one U.S.dollar last Thursday—lowest rate in three years.

Already the slide of the dollar is affecting prices as at least one company announced that it had increased its prices. Other companies are reported to be contemplating a similar action.

Minister of Finance and the Public Service Seymour Mullings was expected to outline the government's address the current instability of the dollar at a press conference late Tuesday afternoon. [sentence as received]

Mullings has said that the current decline was because of a 13 million U.S. dollar overhang (unsatisfactory) and increased imports in the aftermath of Hurricane Gilbert that swept the island last September.

Manley will hold closed-door talks with representatives of the private sector, trade unions and commodity associations on Thursday at Jamaica House the private sector has to play in dealing with the stability of the dollar. [sentence as received]

Concerned businessmen met last Thursday to discuss how best to halt the dollar's nose dive.

Belize

PUP, Price Regain Power in Close Elections

FL0509144889 Bridgetown CANA in English 1317 GMT 5 Sep 89

[Text] Belmopan, Belize, Sept 5, CANA—George Price, who led Belize to independence from Britain eight years ago, regained power in Monday's general elections, according to results announced on Tuesday.

Price's People's United Party [PUP] won 15 parliamentary seats against the 13 of the ruling United Democratic Party of outgoing Prime Minister Manuel Esquivel.

The UDP had won a landslide 21-7 victory five years ago when Price, 70, was ousted after 30 years in power.

It was a tension packed night for this English-speaking Central American nation and the final decisive result in the Orange Walk South Division was not announced before 5 a.m. local time (7 a.m. Eastern Caribbean Time).

That gave victory to the PUP's Guadeloupe Pech who defeated his first cousin Onesimo Pech of the UDP by 1,378 votes to 1,331 votes.

Political sources said the result may have been delayed by an incident in which Guadelupe Pech was alleged to have been shot at in the village of Guinea Grass.

Five ministers in Esquivel's cabinet lost their seats: Agriculture Minister Dean Lindo, Commerce and Industry Minister Eduardo Juan, Works Minister Hubert Elrington, Natural Resources Minister Charles Wagner, and Health Minister Israel Alpuche.

Price, who lost his seat at the last election, won his seat comfortably by 906 votes to 584. Esquivel was returned with a 182 vote majority.

El Salvador

Government Cautious Over New Panamanian Ruler

PA0109234189 Panama City ACAN in Spanish 2241 GMT 1 Sep 89

[Text] San Salvador, 1 Sep (ACAN-EFE)—The Salvadoran Government reacted today cautiously over the appointment of Francisco Rodriguez as new Panamanian president to replace Manuel Solis Palma, who ruled for the past 18 months.

Salvadoran President Alfredo Cristiani said that his government will analyze the situation and added that the Foreign Ministry will soon announce El Salvador's position.

Salvadoran Vice President Francisco Merino said that one cannot recognize someone who has not been elected at the ballot box. He was referring to the appointment of Francisco Rodriguez, 50, an agricultural engineer and planner and friend of General Manuel Antonio Noriega, head of the Panama Defense Forces.

"Panamanians should continue to struggle to achieve a democractic system," Merino said today when inaugurating the month to commemorate the 168th anniversary of Central America's independence from Spain.

Rodriguez takes office amid international isolation of the Panamanian regime and a U.S. economic blockade that demands Noriega's ouster and recognition of the opposition's triumph in the annulled May elections.

Relations To Be 'Cut Back'

PA0509231489 San Salvador Canal Seis Television in Spanish 0200 GMT 5 Sep 89

[Report by Oscar Velasquez]

[Text] Salvadoran Foreign Minister Jose Manuel Pacas Castro today said that the diplomatic relations with Panama will be cut back. Pacas Castro said the diplomatic relations with Panama will not be broken even though the annulment of the 7 May elections and the recent appointment of a provisional president are an attack on the Panamanian people's freedom.

[Begin Pacas Castro recording] We cut back our diplomatic relations during the past Panamanian Government. We do not have an ambassador and we are represented by the charge d'affairs. What we may do is cut these relations down to the level of purely consular relations.

We had hoped for the possibility of a provisional government with the support of all the political forces, however, it seems that this has not been the case. This new provisional government is of the same nature of the past government. [end recording]

On 1 September, the government headed by General Manuel Antonio Noriega appointed Francisco Rodriguez as Panama's provisional president. The Panamanian opposition has rejected the new government and has described it as Noriega's puppet. The Bush administration, which has maintained an economic blockade against Panama, has also said that it does not recognize the new government but that diplomatic relations with that country will not be broken.

Regarding Nicaragua, Foreign Minister Pacas Castro said that El Salvador approves of the way in which the Sandinist government is abiding by the Esquipulas II and Tela agreements.

[Begin Pacas Castro recording] We are very pleased to see that the democratization process in Nicaragua is advancing. We hope that President Daniel Ortega will continue to abide by the commitments and political agreements he made with the political parties on 4 August, and within the spirit of the Costa del Sol and Tela agreements, and create a favorable democratic

environment so that the upcoming presidential elections can be held. [end recording]

It was learned earlier this week that Guatemala and Honduras would not be sending their ambassadors back to Panama. El Salvador has been the Central American country to criticize the Panamanian Government the hardest. The measures announced are proof that the Salvadoran authorities are viewing the problem cautiously.

Government Calls for Democracy

PA0609020189 Panama City ACAN in Spanish 2316 GMT 5 Sep 89

[Text] San Salvador, 5 Sep (ACAN-EFE)—The Salvadoran and Costa Rican governments called today for a democratic system in Panama, according to statements made by their foreign ministries.

A Salvadoran Foreign Ministry communique asked the new Panamanian authorities today to establish a government that is elected at the polls so that the normal legal institutions may "return" to that country.

"We call on the new authorities, which were appointed without keeping the will of the Panamanian people in mind, to carry out the necessary efforts immediately to establish a government resulting from free, honest, and fair elections in Panama," the communique states.

Costa Rican Foreign Minister Rodrigo Madrigal Nieto said in San Jose that his country wants "a true democracy" for Panama.

"We have frankly stated that we condemn the events in Panama, because we would like to see a true democracy in that country," Madrigal said.

"Costa Rica made its position known since the beginning because it was one of the first countries to recall its ambassador from Panama (in mid-May of this year)," the Costa Rican foreign minister said.

El Salvador and Costa Rica criticized the new Panamanian Government, which came to power last 1 September following a decision made by this country's State Council, which designated Francisco Rodriguez as president because the term of the previous government expired and because the 7 May elections were annulled.

The Salvadoran Foreign Ministry communique calls on the Central American presidents to contribute "to the achievement of an overall and lasting solution to the Panamanian crisis," which worsened following the annulment of the elections.

El Salvador has a charge d'affaires in Panama to perform consular duties beginning this month, Salvadoran Foreign Minister Jose Manuel Pacas Castro said.

Costa Rican Foreign Minister Madrigal said that Ambassador Jorge Emilio Regidor will not return to his diplomatic post.

Madrigal added that "it is not a matter of recognizing or not recognizing" (Panama), adding: "We simply maintain relations with the Panamanian Government."

Government: Refugees Can Return From Honduras

PA0609051789 Panama City ACAN in Spanish 0141 GMT 6 Sep 89

[Text] San Salvador, 5 Sep (ACAN-EFE)—The Salvadoran Government affirmed today that many of the Salvadoran refugees in Honduras are linked to the guerrillas but that he will make a "goodwill" gesture to have approximately 3,800 of them repatriated.

"The government is making a goodwill gesture by accepting the repatriation of thousands of Salvadorans while knowing that many of them are relatives of criminal terrorists (guerrillas), said Salvadoran Vice President and Interior Minister Francisco Merino.

The governments of El Salvador and Honduras and the UN High Commissioner for Refugees are preparing the return of these Salvadorans who fled to Honduras at the beginning of this decade to escape from the armed conflict.

Merino stated: "We want them to understand that if at any given moment there was a justification for resorting to violence, now, 10 years later, there is no justification at all and the moment has come for beginning a normal life."

According to the vice president, the fact that there are no males among these refugees is evidence that they have links with the guerrillas.

"Although we did not find men of over 13 years of age, there were many pregnant women," Merino told the press.

The government selected settlement areas for the repatriated, where it will give them medical and educational assistance and a functioning infrastructure.

For their part, the refugees have asked to be allowed to return to their places of origin, in war-torn areas in the northern part of Chalatenango, San Miguel, and Morazan Departments, or in La Union Department.

"To send them there," Merino said, "would be to condemn them to permanent underdevelopment. They want to return to places that do not provide what is needed for development or for a normal life."

The Christian Committee for Displaced Salvadorans, which claims to represent the refugees, has accused the government of wanting to send the repatriated to "concentration camps guarded by the Armed Forces."

Cristiani Grants Interview to Mexican Newspaper

PA0409154689 Mexico City EXCELSIOR in Spanish 30 Aug 89 pp 1-A, 10-A

[Report on interview with President Alfredo Cristiani by correspondent G. Espinosa in San Salvador—date not given]

[Text] San Salvador, El Salvador 29 August—Believing that El Salvador is about to end an entire decade of political instability and guerrilla warfare, Salvadoran President Alfredo Cristiani Burkard is convinced that "populist models have proved their failure and have led many Latin American countries toward unmanageable crises."

Determined to build foundations for his country to become "the Japan of Central America," Cristiani, a businessman, who 5 years ago became a party politician, asserts that the methods used by the "guerrilla movement are outdated." Cristiani called on the Salvadoran rebels to join the country's political parties so that they can wage their struggle through elections and end their "antihistoric attitude."

His face is not very expressive when making his statements. Cristiani smiles when, at a certain point during the interview, he says he agrees with the economic program implemented in Chile since 1973, although "not necessarily with its political model." Cristiani himself clarifies that it is not true what has been written about him in that respect. Cristiani is the 74th president in the history of El Salvador.

With very little force, Cristiani asserts that "many FMLN [Farabundo Marti National Liberation Front] members boast that Mexico is their political headquarters. However, there is no problem with that, because the government (of Mexican President Carlos Salinas de Gortari) has shown a correct attitude."

Cristiani emphasizes certain assertions. For example, he emphasizes that "Central America will obtain indirect benefits from the East-West detente" and that regions and individual countries will benefit from it.

President Cristiani is member of a economically strong San Salvador family. Before running for a legislative post to represent his city, San Salvador, Cristiani was the director of a coffee-producing business. Now that his picture is on the walls of all public offices, it is a little bit funny to find Cristiani's last name in the phone book yellow pages under fertilizer importers.

Cristiani, 5.83 feet tall, was a basketball player when he was young. Close friends of his claim that sports continue to be one of Cristiani's hobbies. During the election campaign, people learned that Cristiani likes to fly helicopters.

With the inauguration of Cristiani as Salvadoran president in 1 June, a period of presidential changes began in Central America. These changes could be announcing the end of the long regional crisis in that area. Honduras, Costa Rica, Nicaragua, and Guatemala will hold presidential elections within the next 16 months.

Meanwhile, on 1 October, El Salvador will mark the 10th anniversary of a coup d'etat promoted by a group of colonels. Their main goal was to clear the way for a series of economic reforms designed to improve the distribution of wealth among 5 million people, most of them peasants.

While that coup was being prepared, the reorganization of the constitutional system and a civil war among Salvadoran Army members, armed clandestine anticommunists, and rebels grouped in the FMLN first appeared.

During his first 88 days in office, Cristiani, who is an ARENA [Nationalist Republican Alliance] member, has essentially dedicated himself to organizing his administration and implementing economic measures through which he seeks to turn El Salvador into a point of geographical importance in the region.

The Salvadoran people have shown the first signs of rejection of the public services tariff increase, although the expectations of all social groups centers around the future of the national dialogue and peace in the country.

[Espinosa] It is said that East-West detente could solve conflicts in various parts of the world. What do you expect from that detente? Where is Central America, where is El Salvador heading?

[Cristiani] El Salvador derives indirect benefits from the East-West detente. Logically, the superpowers engaging in dialogue and not trying to change the systems of government in other nations through undemocratic methods—so to speak, because in some cases it is done through violent means—is positive.

I think it may be positive because the method of forcing changes using violence is becoming outmoded. This will make it possible to achieve peace and stability in our region. In my opinion, positive and encouraging steps are being taken. Even though we maintain no relations with the USSR, a high-ranking Soviet official has already said that the Salvadoran Government is legitimate. The FMLN [Farabundo Marti National Liberation Front] should consider this message seriously because it is trying to overthrow a government that even the USSR agrees is legitimate because it is a product of the people's will. I think this means that in the future we will have a greater possibility of easing the tension in the Central American countries and in the region.

[Espinosa] What internal conditions must exist to achieve total peace in El Salvador?

[Cristiani] The FMLN is now running against the tide, in the sense that nations must be allowed to chart their future in peace. We see changes in some. Poland is one of them. The Communist Party is bowing to pressures from the people, who are demanding changes, and every trend is toward democracy and freedom. That is why trying to

seize power through force goes against what history has taught. The FMLN is a clear example of this.

What may pave the way for a solution here is, in first place, the political will of the insurgents in realizing that there is a new trend, and it is not toward revolutions, which may have been popular during the 60's or 70's. That was the line to follow in Latin America. Moreover, countries are beginning to realize that it is not right to promote assistance to armed groups in any country, and this includes the FMLN.

[Espinosa] Is there any possibility the FMLN will participate in politics through a party?

[Cristiani] Our political party (ARENA) [Nationalist Republican Alliance] proposed to the Constituent Assembly in 1984 that the doors be opened for the FMLN-FDR [Revolutionary Democratic Front] to become a political party and to participate in the democratic process.

I think this is what everybody is after. If they want political power, let them seek it the same way and under the same conditions other parties do. In other words, they should try to win the people over and gain power through ballots.

[Espinosa] Do you think the conflict in El Salvador during this decade has allowed the people to reach a greater degree of political maturity?

[Cristiani] Living amid democracy represents a whole culture and our people are developing a democratic culture little by little. They have evolved a great deal and perhaps the most cogent evidence is the support they have given to an opposition party. The people assessed the performance of a party in power and gave their support to an opposition party.

[Espinosa] Could it be that El Salvador is close to consolidating a national system?

[Cristiani] If the conflict ended it would be much easier to build a more viable system. This can be done more rapidly in a country that is not undergoing attrition like El Salvador. I think that national system is democratic and the process is irreversible.

[Espinosa] It is believed in political circles that a dialogue will take place soon in El Salvador but there is no certainty that a final solution will emerge from it. Are you in any way confident that this will happen?

[Cristiani] In a way, the people know that the problem is not an easy one to resolve and that solution through dialogue will not occur overnight. There are problems, but I have always felt that communication brings people closer and I will always be an optimist to the extent that we begin a dialogue. I will always be optimistic as long as there are real possibilities of reaching an overall agreement.

[Espinosa] Some Latin American countries have opted to reduce the state's impact on the economy. Have the populist or reformist models become exhausted? What does the neoliberal model offer as an alternative?

[Cristiani] One has to gauge first the expectations of the models and their various results. It is clear that the populist models that were almost always supported by leftwing, socialist-leaning tendencies have proved to be a failure and have plunged a large number of Latin American countries into crises which are virtually unmanageable unless special solutions are proposed.

On the other hand, one can see that the countries that have a free market economy achieve economic growth. This is perhaps the longest lasting economic model in Latin America. That is why we agree with Chile's economic model although not necessarily with its political model.

However, I do not think this phenomenon is limited to Latin America. In Britain, Mrs Thatcher has changed the course she was following (up until a few years). Little by little, through perestroyka, the USSR has adopted methods that are typical of the free market and free enterprise system. Other examples are the dragons of the Pacific (Taiwan, South Korea, and Singapore). Their systems are alike, but they are different from one another. This proves that this is the system that works well.

[Espinosa] Mr President, you have said that El Salvador could be the Japan of Central America. How do you plan to turn this into reality?

[Cristiani] The term Japan of Central America was not coined by me. El Salvador was given this name during the seventies because of its people's industriousness and because it was, perhaps, the country with the greatest degree of industrial development. A parallel was established between El Salvador and Japan at their respective levels, of course.

Economic development has been impossibile during the past 10 years for many reasons. Aside from the armed conflict, the economic models were totally at odds with the free enterprise system. Obviously, this results in a drop in investments and incentives. There was not a consistent economic model and no economic model was sought. All that was done was done to simply manage the crisis. Now then, if on the one hand we manage to combine, in our country, the possibility of ending the violence with political stability over the short term and, on the other hand, we succeed in establishing a free market economy with a social approach, the response from management and labor would show that Salvadorans are really enterprising, and that the system is viable.

[Espinosa] El Salvador has a competitive economy in Central America. El Salvador is capable of exporting as much as or more than its neighbors. Do you think that Nicaragua, which is the only Central American country with a different economic model from that of its neighbors, could be an obstacle for the development of interregional trade and the achievement of interregional economic unity?

[Cristiani] "Nicaragua should not be an obstacle. But unfortunately, far from keeping that model for itself, the Nicaraguan Government has tried to export its revolution to the remaining area countries. That attempt prevents the development of completely positive relations through which we could seek regional unity. That is the problem. If there were a model similar to the one developed by Mr Francois Mitterrand or by Felipe Gonzalez in Spain, there would be no problem here. Neither Mitterrand nor Gonzalez tried to influence what happens in other countries. They maintain favorable relations with their neighbors. The problem with Nicaragua is not that it is following a socialist model—while the remaining Central American countries follow a market economy model—but that it tries to change the systems in the remaining four area countries through armed revolutions. [quotation marks as published]

[Espinosa] At one point in the Central American crisis, Mexico was accused of interventionism. What do you think of the new Mexican Government's position regarding Central America and particularly El Salvador?

[Cristiani] "El Salvador reacted against Mexico when the French-Mexican Declaration was issued in 1982. I believe the issuance of that declaration was a regrettable mistake, because we were almost a democracy; it was an imperfect democracy, but it had many democratic features. That declaration was neither fair nor correct for a people that was exposed to the bullets of Salvadoran armed groups. It was not fair for us who wanted to prove we were a peaceful, democratic people.

"But that is the past. Everything has progressed since then. There was some resentment in El Salvador, perhaps because many FMLN members boast that Mexico is their political headquarters. I do not think there is any problem. As far as my administration is concerned, up until now the current Mexican Government has shown a proper attitude. We do not have any problems with Mexico."

President Inaugurates Independence Month

PA0309211389 San Salvador Domestic Service in Spanish 1630 GMT 1 Sep 89

[Speech by President Alfredo Cristiani during ceremony to mark the start of independence month, at the Gerardo Barrios Square in San Salvador—live]

[Text] Your Excellency the President of the honorable Legislative Assembly and Deputies, Mr Vice President, Justices of the Honorable Supreme Court, Cabinet Members, honorable civilian and military authorities, distinguished young students, ladies and gentlemen, Salvadoran people: At the inauguration of ceremonies that will take place throughout September to commemorate our independence, we evoke, with civic fervor and undying gratitude, the memory our the forefathers, who achieved our political independence. At the same time and within the framework of this great event, I wish to make a fervent appeal to all Salvadorans so that we, united by the libertarian and altruistic spirit of the creators of our fatherland, may return to the historic path they traced to make El Salvador into a nation admired by the grandeur of its people.

Thus, 168 years after our glorious independence day, we need to return to the historic roots of our nation. We need to fill the people's spirit with those ideals of liberty, progress, and justice that beat in the hearts of our forefathers. In this civic month, we must reflect that the supreme ideal of the creators of our fatherland and of all Salvadorans, without distinction, is to live in peace so that society as a whole can become creator and beneficiary of its social and economic progress. Our forefathers did not ignite the flames of class hatred, nor did they encourage fratricidal struggle. On the contrary, they built our nation on foundations of liberty, harmony, and fraternity. During these days that we pay tribute to the heroes of our national independence, all of us Salvadorans must reflect on the important meaning of this grandiose historic feat.

We must be clearly aware that genuine patriotism cannot limit itself to recognizing and celebrating our forefathers' glorious achievements. We must also understand that genuine patriotism means fighting today and tomorrow to aggrandize the nation and fulfill the generous ideals that moved our forefathers and turn our beloved El Salvador into a great, just, and free fatherland. It is a civic duty to protect the historic legacy of our forefathers. We must shoulder the obligation of rescuing the nation from the risk it is facing. It becomes an imperative need to work arduously to rescue the nation, our traditions, our civic, moral, cultural, and spiritual values, and all those things that comprise the soul and essence of our fatherland.

On the month of our independence, we want our nationalist spirit to revive and our people to become filled with optimism to tackle the difficult circumstances destiny has in store for us. Our invitation goes to everyone all over the country to sing with vibrant and enthusiastic pride the notes of our glorious national anthem and to hoist our national flag everywhere and in every building, work center, school, public square, vehicle, and home as the symbol of a new awakening in our fatherland's historic horizon.

Salvadoran people, may our heroes' illustrious deed guide us toward the path of peace; may we find through the civilized instrument of a sincere dialogue the solutions to the conflict that bleeds our people. This way, united under the blue and white of our flag and setting aside ideological differences, under the democratic system we are living, we can restore fraternal coexistence among Salvadorans so that together we can improve our democratic and republican institutions. Salvadoran brothers, with profound civic gratitude, we inaugurate the ceremonies to commemorate our national independence achieved on glorious 15 September 1821. Long live El Salvador! God bless you. Thank you.

Cristiani: Army Supports Dialogue With FMLN

PA0509220489 San Salvador Canal Seis Television in Spanish 0200 GMT 2 Sep 89

[Text] Salvadoran President Alfredo Cristiani gave assurances today that the Armed Forces favor a dialogue with the FMLN [Farabundo Marti National Liberation Front]. The president denied the existence of two trends within the Army, one in favor of peace negotiations with the insurgents and the other opposed.

[Begin Cristiani recording] I have no official information from the Army regarding its opposition to the dialogue. On the contrary, the Army has clearly come out in favor of the dialogue process, which I consider to be the best means of solving the conflict [words indistinct]. [end recording]

Regarding the formation of a government dialogue commission, Cristiani pledged to designate it before embarking on a tour of Europe and New York, where he will address the UN General Assembly. However, complications have emerged regarding the president's plan to form the commission within the next few days.

Yesterday the Legislative Assembly declined to designate a deputy to participate in the government delegation, leaving the decision up to the president.

The president made these remarks this morning at Gerardo Barrios Square, where he presided over ceremonies marking the beginning of independence month.

A few meters away from the main platform, a group of maimed FMLN fighters who have occupied the metropolitan cathedral for the past 12 days observed the ceremonies and demanded that their requests be answered. President Cristiani confirmed that the issue of the maimed fighters will be discussed within the framework of an overall negotiation of the conflict.

Army Presents View on Dialogue

PA0609041589 San Salvador Canal Seis Television in Spanish 0200 GMT 5 Sep 89

[Passages within quote marks recorded]

[Text] Colonel Orlando Montano, deputy minister of defense and public security, gave assurances today that the Armed Forces will establish a truce on 14 and 15 September, as requested by the Permanent Dialogue Committee, and the FMLN [Farabundo Marti National Liberation Front] has pledged to respect it.

"The National Dialogue Committee's proposal is a good one and the Armed Forces applauds it, and is in a position to accept it, as long as the FMLN also complies with it."

Speaking at a news conference, Col Montano said that the maimed FMLN fighters' presence at the Metropolitan Cathedral is an indication that FMLN leaders abandon their fighters when they cease to be useful.

"I believe that if the FMLN wanted to send those people abroad, as they have done in the past, they could very well have done so. They have the fighters at the cathedral for propaganda purposes, and to give the impression that the government is inhumane. I have even read and heard statements by FMLN allies who say that the situation of the maimed cannot be negotiated for humanitarian reasons. However, did they display humaneness when they burned buses, left the people without electricity, or destroyed so many things that benefit the public?"

Referring to the homily delivered yesterday by Msgr Gregorio Rosa Chavez, auxiliary bishop of San Salvador, who accused the Air Force of bombing the Santa Elena Church in Usulutan Department, Col Montano said that some leftist clergymen distort the facts for propaganda purposes.

"With their humanitarian image, they often oppose the search for peace, they oppose the country's democratization and, in fact, they often play up to the FMLN. In reality, their attacks and disparaging remarks about the Armed Forces are unfair. They blame the Army for things it is not guilty of or responsible for."

To conclude, the military officer said the Army is carrying out an operation to ensure safety during the independence festivities.

FMLN Accepts Dialogue Proposal

PA0509190589 Buenos Aires REUTER in Spanish 1825 GMT 5 Sep 89

[Text] Mexico City, 5 Sept (REUTER)—The Salvadoran guerrillas today accepted a government proposal to begin peace talks before 15 September, leading to speculation that a cease-fire might be announced on Thursday.

President Alfredo Cristiani "proposed that a first meeting be held before 15 September, and the FMLN [Farabundo Marti National Liberation Front] agreed that it be held between 10 and 14 September," according to rebel Commander Ana Guadalupe Martinez. She added: "We believe the meeting could be held in Mexico, and on Thursday we will announce a series of measures to facilitate the beginning of the dialogue."

Rebels Affirm Willingness To Talk

PA0609023389 (Clandestine) Radio Venceremos in Spanish to El Salvador 0204 GMT 6 Sep 89

[Text] During a news conference held in Mexico City, commanders Ana Guadalupe Martinez and Venancio Salvatierra, members of the FMLN's [Farabundo Marti National Liberation Front] political and diplomatic commission, announced our front's official position regarding the dialogue. Commanders Martinez and Salvatierra said that the FMLN has accepted the government's commission and agrees that the dialogue be held abroad. The FMLN has reiterated that its delegation will be at the highest level and with the authority to make decisions. Commander Ana Guadalupe Martinez said

that the FMLN General Command will release a very important communique on 7 September. In the communique, the FMLN General Command will announce a number of measures aimed at creating the appropriate environment for a political negotiated solution.

Commission To Meet With Rebels

PA0609015289 Buenos Aires REUTER in Spanish 0105 GMT 6 Sep 89

[Report by Richard Jacobsen]

[Text] San Salvador, 5 Sep (REUTER)—A Salvadoran Government commission will meet with leftist rebels before 15 September in a preliminary dialogue to end almost 10 years of civil war, it was reported today by a high-ranking official.

President Alfredo Cristiani will announce on 7 September the creation of a commission and the date and place of the talks with the Farabundo Marti National Liberation Front (FMLN) representatives, it was stated by Communications Minister Mauricio Sandoval.

"The meeting will be held before 15 September," Sandoval told REUTER.

Sandoval's statements were given after FMLN Commander Ana Guadalupe Martinez said today in Mexico City that the rebels had accepted a government proposal to hold talks before 15 September, the anniversary of El Salvador's independence.

"We think that the meeting could be held in Mexico City, and on 7 September we will announce a series of measures to facilitate the dialogue"—the first between Cristiani's right-wing government and the FMLN, Martinez said in a news conference.

She did not rule out the declaration of an unilateral cease-fire. "Perhaps yes, perhaps no," Martinez answered when asked about it.

Sandoval said that the talks could be held in Costa Rica or Mexico.

"It is almost sure that the talks will be held in Mexico," he said.

Sandoval said that the progress achieved toward the talks was proof of the pledge assumed by the government which was sworn in on 1 June to solve a conflict which has cost El Salvador more than 70,000 lives.

"Specific steps are being taken in the search for peace," he said.

Government officials have emphasized that the first round of talks will probably prepare the groundwork for future, more substantial, talks.

Sandoval did not say who would comprise the government's dialogue commission but officials had previously said that the Armed Forces and the church would not be represented—a previous FMLN demand.

"We accept that the government commission that will attend the dialogue be composed as the government wants," Commander Martinez said today. "We believe it is negative for the Army not to participate in a dialogue where the war will be discussed. It will be a mistake for the military not to attend the meeting."

Vice President Francisco Merino told reporters on 4 September that the Armed Forces—and the opposition political parties—would be included in what he described as a "support commission" that would play an advisory role in the talks.

Three rounds of talks between the FMLN and President Jose Napoleon Duarte's Christian Democratic government, which concluded its term on 1 June, failed to achieve progress toward the solution of a civil war.

Today's announcement of a peace dialogue occurred amid fierce clashes between government troops and rebels in several parts of El Salvador.

A major clash occurred in eastern Morazan Department, where the rebels killed 14 soldiers and 2 officers.

The Armed Forces also said they had caused "numerous" rebel casualties during a clash which occurred near Chilanga, but they failed to provide exact figures.

Rosa Chavez on Solving Problem of FMLN Wounded

PA0309195989 Hamburg DPA in Spanish 1752 GMT 3 Sep 89

[Text] San Salvador, 3 Sep (DPA)—Msgr Gregorio Rosa Chavez, auxiliary bishop of San Salvador, has reported that the Salvadoran Catholic Church is trying to achieve what it describes as a "humanitarian departure" of 120 Farabundo Marti National Liberation Front, FMLN, war wounded.

Rosa Chavez also disclosed that Archbishop Arturo Rivera y Damas has held talks with FMLN delegates in Mexico concerning the possibility of finding a voluntary formula "of unilateral reciprocal actions by the Salvadoran Government and Armed Forces and the FMLN."

According to the church, this formula would not be a commitment or negotiation. Instead, the government would permit the departure of the wounded, some of whom have been occupying the San Salvador cathedral for the past 14 days, and the FMLN would halt its acts of sabotage against transportation, electric power, etc.

The war wounded have not agreed to any negotiation, arguing that the right to be evacuated from the country is established by a convention dealing with war, which El Salvador has signed. This was stated again today by the group of war wounded at the cathedral. Their number has increased from 8 to 24, and they have announced that more are expected to arrive.

Rosa Chavez said that these efforts are not exactly a negotiation and that the church acknowledges that the war wounded have rights, "but that this proposal has been made to find a humanitarian solution to the conflict and in this way the wounded would be able to leave the country."

The auxiliary bishop did not state today whether the church efforts will continue this week. The archbishop has departed on a visit to several European countries, including the FRG and the Netherlands.

President Alfredo Cristiani has said that the problem of the departure of the war wounded is a point that should be included in the dialogue and that this will be decided next week when the dialogue commission is formed.

Meanwhile, the cathedral continues to be occupied by individuals whose legs or arms have been amputated, who are blind, or who have suffered some other disability as a result of the war. Today they reported that armed individuals have been going to the cathedral to provoke them, and they charged that such actions can only stem from the Armed Forces.

There is a huge red and black banner on the cathedral's main door which states: "We are not asking to negotiate our departure. We demand that the government comply with the Geneva Conventions." Another sign states: "We are patriotic war wounded."

Army Increases Patrols To Check Arms Smuggling

PA0509045789 San Salvador Canal Seis Television in Spanish 0200 GMT 30 Aug 89

[Text] Defense Minister General Humberto Larios said today that land, air, and sea patrols on the coastline have been increased to prevent the arrival of Nicaraguan aid for the Salvadoran rebels.

[Begin Larios recording] We maintain our position in favor of peace. We are also carrying out military activities to check, as much as possible, the arms traffic from Nicaragua. The Sandinist government has not complied with commitments and continues supporting the Farabundo Marti National Liberation Front [FMLN] terrorists in this country, so we are formally protesting. [end recording]

Larios said that Nicaragua is violating the Tela, Honduras agreement by the chiefs of state of the region. He said that points 5 and 6 of the Esquipulas agreement are also being violated. By that agreement the Central American governments have committed themselves to stop sending aid to irregular forces operating in the region and to prevent logistic military support for the groups trying to destabilize the Central American governments.

Regarding the military operations in the country, the defense minister said that the Armed Forces regularly and professionally carry out military operations.

Priests Protest Student Murder on 29 Aug

PA0109143589 Hamburg DPA in Spanish 1723 GMT 29 Aug 89

[Text] San Salvador, 29 Aug (DPA)—Ricaldone Institute Director Father Giusseppe Coro protested today the murder of a young engineering student and later attempts to involve the institute in illegal activities in this country, which is at war. The Ricaldone Institute is one of several important schools run by Salesian priests in El Salvador.

Father Coro stated during a news conference that student Miguel Ernesto Miranda Reina, 18, "who was the best engineering student in the institute," was despicably and cowardly shot in the back when he was about to approach his house in western San Salvador on 22 August. Father Coro accused the "Atlacatl" Battalion soldiers, particularly an officer, "a lieutenant, sergeant, or whomever," who later attempted to distort the event by stating that the young student was a "rebel" because he wore rebel boots and had a rebel book.

The Salesian priest, who has lived in this Central American country for the past 16 years, said that the student was returning home after working on his thesis as he was to graduate this year. The student wore the school's uniform, had his identification papers, and carried a book on religion that showed Jesus Christ with a beard on its cover.

Father Coro stated that since it was not enough to kill an innocent young man who was an honor student, the soldiers had started to keep a watch on the institute, to stop students to harass them mentally by asking them if they knew Miranda Reina, to place a checkpoint in front of the murdered student's home, and other similar measures. He added that if these measures are not stopped, the Salesian community in El Salvador will protest to the military high command.

Father Coro stated that the Salesian community feels affected by these actions as their schools have always educated the young so that they can earn a livelihood and that these measures—possibly ordered by midlevel commanders—hinder their activities and cause instability in the student body that does not promote educational advancement.

Bomb at Opposition FENASTRAS Main Offices

PA0609003089 Panama City ACAN in Spanish 2158 GMT 5 Sep 89

[Text] San Salvador, 5 Sep (ACAN-EFE)—Union sources reported that a high-power bomb partially destroyed the main offices of the opposition Salvadoran Workers National Union Federation (FENASTRAS) today.

Febe Elizabeth Velazquez, one of the top leaders of FENASTRAS, accused the "police death squads" of being responsible for the blast, which caused no personal injuries.

The bomb exploded at daybreak Tuesday, destroying doors and windows at the offices of FENASTRAS, an opposition organization of public and private workers.

According to Velazquez, police hurled stones and insults prior to the explosion, which took place in the center of San Salvador less than 1 km from the National Police main headquarters. The union leader said that the FENASTRAS office was surrounded by Air Force personnel and National Guard policemen last week, adding that this was the third dynamite attack against these offices.

The government and the Army have accused FENASTRAS of acting as a guerrilla "front."

Battle Reports, Military Activity 25 Aug-4 Sep

'Guerrilla Commandos' Attack Police

PA0109143489

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 1 September broadcasts military reports lasting about 4 minutes.

The first report states that guerrilla commando units "at 1610 on 30 August attacked a vehicle belonging to the National Police Pantera Battalion, inflicting five casualties, including a sublieutenant. The action took place at the intersection of 2d Street East and 6th Avenue South across from Libertad Park, only 1 and ½ blocks from the National Police headquarters. Our comrades left without confronting any problems."

A second report states that "at 0800 on 29 August a guerrilla unit ambushed a military truck on the highway leading to Santa Ana between Chupcha Abajo and Chalchonte Streets. This was a report from the Feliciano Ama Western Front."

A third report from the San Salvador Volcano area states that "on 30 August, between 1300 and 1400, the Atlacatl Battalion, carrying out duties in the San Carlos farm, sustained two dead and two wounded because of our mines. Meanwhile, at 1430 in the same area, the same Atlacatl group was ambushed at La Presa farm and sustained three more casualties, that is, a total of seven casualties in Nejapa jurisdiction, San Salvador Department."

The last report states that "in Berlin, at 1750 on 30 August, the Atonal Battalion sustained two casualties because of our mines as it was patrolling El Pito Canton." The report adds that "the Oromontique Battalion sustained five casualties at 1100, 31 August when a guerrilla unit attacked its positions in El Tablon, Chirilagua, and San Miguel Departments."

Rebel Radio Airs Reports

PA0409183289

[Editorial Report] (Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 2300 GMT on 2 September broadcasts approximately 15 minutes of battle reports, including reports on clashes between the Salvadoran Army and Farabundo Marti National Liberation Front (FMLN) guerrillas and FMLN sabotage operations carried out between 25 August and 2 September.

The first report says that FMLN units inflicted 51 casualties on special Army troops: 38 casualties on Military Detachment No 1 troops and 13 casualties on a group of paratroopers during attacks in Chalatenango Department carried out by the FMLN between 25 August and 2 September.

The report adds that FMLN antiaircraft units damaged at least six aircraft. "One of the aircraft was hit on 1 September when the enemy tried to deploy troops in the area of El Tabanco and El Terrero Hills on the outskirts of El Zapotal and Amatillo, Las Vueltas Jurisdiction."

The second report from the Anastacio Aquino Paracentral Front cites an FMLN war bulletin, which says that at 0500 on 2 September, guerrilla units ambushed Cavalry Battalion troops traveling in two armored vehicles from Villa El Triunfo to the Jucuapa Bridge on the Pan-American Highway at the Tronconada Canton, Villa El Triunfo Jurisdiction, Usulutan Department, inflicting 16 casualties on the Cavalry Battalion troops with two mines and RPG-7 rocket launchers. The report adds that "one of the armored vehicles was blown off the road and completely destroyed, while the second was badly damaged."

The next report, also from the Anastacio Aquino Paracentral Front, says that at 0345 on 2 September, FMLN guerrillas sabotaged three electric towers on the power line running from the 5 November Dam to San Rafael Cedros. The report adds that another rebel unit sabotaged two power towers on the line from Ilobasco to Sensuntepeque. The last report from the Fracisco Sanchez Eastern Front says that "clandestine militias ambushed Cayahuanca Battalion troops in Carbonal Canton, Anamoros Jurisdiction, La Union Department, at 1630 on 31 August, wounding two enemy soldiers with mines."

Further on Military Activity

PA0409193089

[Editorial Report] The following is a compilation of battle reports carried by (Clandestine) Radio Venceremos in Spanish to El Salvador on 2, 3, and 4 September.

2 September (0000 GMT)

The first report says that at 1100 on 31 August, Farabundo Marti National Liberation Front (FMLN) guerrillas attacked an Oromontique Battalion company at El Tablon hamlet in Chirilagua Municipality, inflicting five casualties on the Army troops. The report adds that the FMLN rebels attacked the same company

again at 1600 on the same day at La Cruz hamlet, Jucuaran Jurisdiction, inflicting six more casualties. The report says that an Air Force helicopter was damaged in this attack. The report concludes: "We want to stress that rebel actions have increased in the area of Jucuaran over the last few weeks. We must point out that our comrades seized one M-60 machinegun and other weapons at El Faro, Jucuaran Jurisdiction."

The next report says that guerrilla units ambushed an Army patrol between Los Achiotes and El Morro, Comalapa Jurisdiction, at 1045 on 31 August, inflicting eight casualties on the Army troops.

The third report says that at 1130 on 1 September, FMLN guerrillas inflicted four casualties on a group of paratroopers in Las Vueltas Jurisdiction.

The last report states that FMLN units clashed with Army troops on El Terrero Hill, Dulce Nombre de Maria Jurisdiction, inflicting three Army casualties.

3 September (0000 GMT)

The only report states that FMLN guerrillas blew up two electric towers located 16 km south of San Salvador on the road to La Libertad Port on the night of 30 August.

4 September (0000 GMT)

The only military report in this broadcast is a "weekly report" of clashes, ambushes, weapon seizures, and sabotage operations carried out by the FMLN during the week that concluded on 3 September.

The weekly report says that "in various actions carried out throughout the country," the FMLN inflicted approximately 102 casualties over the week that ended on 3 September. The report states that "the 102 Armed Forces casualties include one sublieutenant, four cadets, and one corporal."

As for the number of weapons seized, the weekly report states that the FMLN seized "6 M-16 rifles, 2 M-60 submachineguns, 1 M-79 grenade launcher, and 14 backpacks."

The weekly report goes on to say that during the past week, FMLN guerrillas carried out six ambushes against military vehicles.

The report adds that "the past week was filled with antiaircraft combat. During the past week, we damaged five helicopters." The rebel station adds: "We destroyed one armored vehicle and one military vehicle, and we partially destroyed another armored vehicle." Regarding sabotage operations, the report states that the FMLN sabotaged 22 electric towers, 2 manzanas planted with coffee, 1 train, and 1 San Salvador telephone junction box.

The weekly report stresses the work conducted by FMLN urban guerrillas, "who continue to increase their attacks in San Salvador." The report concludes by saying that FMLN urban guerrillas ambushed National Police troops across from Libertad Park in San Salvador, in which "one sublieutenant was wounded, among other police casualties."

'Heavy Clashes' Reported

PA0609032789 San Salvador Radio Cadena YSU in Spanish 1800 GMT 5 Sep 89

[Text] The Armed Forces Press Committee [Coprefa] office reports that Captain Mauricio Salvador Alvarado Guevara and Lieutenant Horacio Wilfredo Baires of Military Detachment No 4 were killed at dawn today along with 14 other soldiers during heavy clashes in the area known as (Piedra El Sope), in Chilanga, eastern Morazan Department.

The detachment's command also pointed out that the Farabundo Marti National Liberation Front [FMLN] terrorists suffered dead and wounded, and that a search of the entire region is currently under way to find out the amount of casualties.

Meanwhile, troops from Military Detachment No 4 wounded at least 10 subversives during a clash at noon, 4 September, in the vicinity of Rancho Quemado hamlet, in Ilobasco Jurisdiction, Cabanas Department. Abandoned at the site of the clash were an AR-15 rifle with its equipment, and a knapsack with war materiel.

Colonel Inocente Orlando Montano, deputy public security minister, told reporters that the FMLN leaders have deserted their fighters. According to Montano, that is the case of the maimed FMLN fighters, whom the FMLN leaders have left behind as burdens for the government and the church, after deceiving them with their Marxist-Leninist doctrine and increasiong violence in El Salvador.

Another report indicates that the 4th Infantry Brigade's command has disclosed that its units killed four terrorists and seized weapons and war materiel during a clash today at 0500 on the outskirts of Tejutla, Chalatenango Department. The brigade reports that three wounded soldiers were immediately taken to the military hospital.

In Jiquilisco, Usulutan Department, a soldier was killed during a clash between Navy Battalion troops and a group of subversives in the vicinity of Hacienda San Juan del Coto, where the soldiers also seized several explosive devices and loaders with ammunition.

Meanwhile, at noon on 4 September terrorists destroyed one manzana of coffee on the El Carmen farm, Guadalupe Jurisdiction, San Vicente Department. They also entered the farm's facilities and sabotaged 40 sacks of fertilizer. Thousands of colones in damage were sustained, according to area residents.

'Regional Operation' Launched

PA0609033989 (Clandestine) Radio Venceremos in Spanish to El Salvador 0010 GMT 6 Sep 89

[Text] The Farabundo Marti National Liberation Front [FMLN] advises our people that at 0030 on 5 September

we launched the regional operation called: The eastern sector is courageous; everyone against ARENA [Nationalist Republican Alliance]. The operation included the following actions:

1. At 0030 an attack was launched against the Cacahuatique Battalion, 4th Military Detachment, and the Arce Battalion's 1st Company command post located in (Los Mata), Chilanga Jurisdiction, Morazan Department. (Los Mata) is only a few kilometers from San Francisco Gotera. At 0215 the last of the resistance had been subdued and the command post was occupied.

We killed approximately 26 and wounded 15 during the attack. We also captured five soldiers who were later released so that they could receive adequate medical attention. Two prisoners of war were taken and they are still in our custody. Among the casualties were a captain, chief of the Cacahuatique Battalion, and a lieutenant, commander of the 1st Company. We seized 26 M-16 rifles, 2 AR-15 rifles that belonged to the two officers, 2 M-70 machineguns, 15 cartridge belts, 2 M-79 grenade launchers and 15 grenades, a 90-mm cannon and 1 grenade, 6,000 rounds of ammunition, a 9-mm pistol, 5 PRC-77 radios, and 30 knapsacks.

We hereby report the loss in combat of our comrades [name indistinct] and Freddy.

The report adds that when our units withdrew they raised the FMLN flag at the command post that symbolized the Armed Forces in the eastern sector. The command post was located within the Army's defense cordon in the San Francisco Gotera area.

2. Between 0615 and 0820 our forces clashed with Lenca Battalion soldiers in Osicala. The soldiers suffered two dead and two wounded. Simultaneous attacks were launched against posts in Delicias de Concepcion, which the enemy was forced to abandon. A UH-1H helicopter flew into the area at 0820. Our forces opened fire on the helicopter and damaged it. While this was taking place, Carolina and San Antonio del Mosco were occupied.

3. At 0300, another FMLN group attacked members of the National Guard in Sesori. Homemade weapons [artilleria popular] and explosives were used during the attack. Nine casualties were inflicted: Four soldiers were killed and five National Guardsmen were wounded. We seized 2 G-3 rifles, 2 LAW M-72 rocket launchers, 800 rounds of ammunition, 2 knapsacks, and other materiel.

4. At 0640 an FMLN guerrilla unit launched an attack on Conchagua Battalion and 3d Military Detachment soldiers who were traveling on the road between Anamoros and Lislique, 1 km from Lislique, La Union Department. The clash, carried out in broad daylight, ended at 0930. We killed three and wounded five, and took four prisoners of war in that area of La Union Department. A chief of section, a sergeant, is among the dead. We seized six rifles, an M-79 grenade launcher, and [words indistinct]. Meanwhile, another FMLN unit entered Lislique, where they carried out political activities for 3 hours.

5. At 0300 FMLN units attacked an infantry company at the mouth of the Lempa River, and 30 minutes later our forces had taken over the post. We killed one and wounded four, and seized a rifle, a LAW rocket launcher, three knapsacks, and war materiel.

6. Urban guerrillas sabotaged pylons and transformers in San Miguel City.

7. A National Police post in Berlin was raided and attacked.

Attention: During this operation launched throughout the four eastern departments, we inflicted a total of 67 casualties. Among these casualties are: the chief of the Cacahuatique Battalion, a captain, a lieutenant, and a sergeant. We captured six prisoners of war during this operation. We also seized 37 rifles, a 90-mm cannon, 2 M-70 machineguns, 3 LAW rocket launchers, 3 M-79 grenade launchers, 5 military radios, 38 knapsacks, and 6,800 rounds of ammunition, and we damaged a helicopter. This is the result of our operation: The eastern sector is courageous; everyone against ARENA.

Nicaragua

Ortega Speaks at National Peasants Day Ceremony

PA0309160389 Managua Domestic Service in Spanish 2130 GMT 30 Aug 89

[Remarks by President Daniel Ortega at ceremony to mark National Peasants Day in Esquipulas, Nicaragua, on 30 August—recorded]

[Text] [Ortega] How many peasants, all of whom are workers and producers, are here! They are not afraid of the rain. Are you afraid of the rain? [crowd says: "No."] Nobody moved. I watched while it was raining to see how many ran away and no one did. None of them did. Are you afraid of the sun? [crowd says: "No."] The sun and the rain are a blessing for producers! What makes peasants most happy is the combination of sun and rain, which is so important to produce beans and maize.

Are you afraid of the contras? [crowd says: "No."] Are you afraid of the Yankees when they threaten you? [crowd says: "No."] What did you say? That you have never been afraid? When have the peasants been afraid in Esquipulas, or in Jinotega? When have they been afraid? [crowd gives indistinct answers] They have been brave peasants, hard-working peasants, heroic peasants—both men and women. Peasant women work side by side with the men. They do not stay behind.

This morning we listened to a mother who spoke on behalf of her kidnapped sons, boys who were kidnapped. They were kidnapped in various places in mountain areas in our country and we know nothing about them. Sometimes we hear reports that they are alive. Some say they are not alive. I have met on several occasions with these heroic mothers. We have tried several times to help

them find out if their sons are alive and, above all, to pave the way for their sons to return, but this has been to no avail.

[Unidentified woman in crowd] [Words indistinct]
[Ortega] A kidnapped daughter? What is the name of your kidnapped daughter?

[Woman] [Words indistinct]
[Ortega] She had two sons who fell in the struggle against Somoza. She has not found one of them, she says. Who killed these boys? The National Guard killed them. Since the victory of the revolution we have been organizing the students and teachers for them to go and teach those who do not know how to read and write. What is the name of your daughter?

[Woman] [Words indistinct]

[Ortega] Her name is Maritza del Carmen Cubillo Molina. What is her age?
[Woman] Twenty-five years.

[Ortega] She is 25.
[Woman] [Words indistinct]

[Ortega] Her daughter had just graduated and left. Where did your daughter go?
[Woman] [Words indistinct]

[Ortega] Come closer and explain. Her newly graduated daughter left. Where did your daughter go?
[Woman] To Wiwili, in La Concordia. To the [word indistinct] in La Concordia. Thirty counterrevolutionaries of the Nicarao Commando went there and kidnapped her at 1900 while she was asleep.

[Ortega] What year was that?
[Woman] In 1984.

[Ortega] That was 1984, 1985, 1986, 1987, 1988—5 years ago.
[Woman] Those who have arrived recently say they are holding the boys in a place called (Yamate). They are holding them prisoner there. Many of our sons have gone through that place. These people say they are alive. Now that the comrades from the OAS are here, we ask them to go visit that place. It is true. The former guardsmen harmed us before and continue to harm us now because our sons were only teaching the peasants. They did so out of love. They went there to teach them to read. They belonged to the 2d brigade, which is called the 50th [as heard] Anniversary Brigade. We ask all organizations, and now to the CIAV [International Support and Verification Commission]... [changes thought] We want to be included.

[Ortega] Well, we will talk about that, about her concern, later.
[Woman] We also tell all mothers who are letting their sons go that we, the mothers, have agreed to let them go because we know that every mother grieves over her sons.

[Ortega] What she is saying is very important.
[Woman] Because every mother...

[Ortega, interrupting] Listen to me. We have released many guards. Last time we released 1,800 of them. In addition, we have recently released peasants engaged in counterrevolutionary activities. Do you agree or disagree with this government policy?
[Woman] I agree with achieving peace. We want our sons back, however. I know we will never have our killed sons back. Every mother loves her sons, although her children have faults. We want these mothers to ask that our sons be given back to us.

[Ortega] This is what counts. She is not bent on vengeance. She agrees that we should release the former Somozist guards and the peasants who have become involved in these activities so that the mothers of the Somozist guards and the contras who are in prison do not suffer. However, we also must demand that the Yankees and President George Bush, who is responsible for this terrorist policy against Nicaragua, instruct the contras to release the kidnapped, of whom they have a considerable number. The contras should also disclose the names of those they murdered, once and for all. [applause]

This is painful. The Yankees, with their policy of death and terrorism, are responsible for the suffering of the Nicaraguans. When we defeated Somoza and the guards fled to Honduras and other countries, the Yankees should have given those guards agricultural tools and land for them to work, because the majority of those guards were of a peasant origin. They had joined the National Guard because of their want and misery, although they later became involved in many crimes. However, the Yankees did not do this. Instead of giving these guards land and tools and an education—the guards could have been trained to follow technical careers—the Yankees gave them rifles so they could attack the revolution. To attack the revolution meant attacking cooperatives and producers; destroying vehicles and electrical cables; harming the economies of peasants, workers, and all Nicaraguans; and kidnapping peasants to turn them also into counterrevolutionaries.

The Yankees have done much harm to Nicaragua. The Yankees owe something to the Nicaraguan people, peasants, and workers, and must pay. The Yankees are responsible for all the dead. The Yankees are responsible for the deteriorated economy. The Yankees are responsible for our lack of resources to solve pressing problems such as repairing highways or secondary roads to get out our produce. The Yankees have used mercenaries and contras to attack the people. In addition, the Yankees have split many Nicaraguan families. I am sure that here, just like in Pantasma, Nueva Guinea, Waslala, Casita, Santo Domingo, La Libertad, Santo Tomas, Pancasan, and anywhere else in Nicaragua where there have been counterrevolutionary activities, we will meet tragic situations in which a mother has some of her sons defending the revolution and others fighting with the contras.

We will find mothers whose sons have died defending the revolution, and other mothers whose sons have

either died defending the revolution or attacking the revolution---mothers who have revolutionary and counterrevolutionary sons. Mothers are the ones who suffer the most. Mothers are victims of a war which has been provoked by the Yankees.

The peasant is also a victim because the peasant who joins the contras does not do it because he wants to. Most of the times he did not want to do it; he was forced to do so. What can a peasant do if he lives on the mountain and the contras come and kidnap him? Or force him to cooperate? Or to give them information? What if, as a result of the information, other peasants are attacked? Thus, the peasant who has become involved in counterrevolutionary actions is also a victim of the Yankees' policies, because all the money that the Yankee has spent waging a war against us.... [changes thought] Imagine how many good things we would have done with that money!

If only the Yankees had given that money to the Nicaraguan Government to build schools and bring water to the places where there is no water. Imagine how many places have no water! A motor or an electric plant can provide water or electricity. Imagine how much transportation is needed; we need a lot of transportation. All those resources used by the Yankees to wage a war against the people could have been used to give the people and peasants a better life. However, the Yankees did not do it because the Yankees are enemies of the humble people, the Yankees are enemies of the peasants, and the Yankees are enemies of the nations. The Yankees have proved and continue to prove this with their policy against Nicaragua.

We have no other choice but to fight, and we have fought for 10 years. And we have won the fight against the Yankees because the Yankees could not defeat the revolution. Reagan was the main contra leader and where is Reagan now? Reagan is calm and resting after sending a lot of people to fight. He is calm and resting because he is no longer President of the United States; he can no longer issue orders in the United States. He could not defeat the Nicaraguan revolution.

Reagan said it was necessary to defeat the Nicaraguan revolution. Reagan said: We will kick out the revolution in Nicaragua, we will kick out Daniel Ortega. The truth is that we are still here, we are calm, and Reagan had to leave. The revolution has stayed and this was made possible thanks to the fighting capability of the Nicaraguan people and peasants. Who would not fight under these circumstances? The peasants know what a revolution is. They know that the revolution has represented the delivery of lands—and we have delivered more land today, and will continue to deliver more land.

On the other hand, we have right-wing, pro-Yankee parties which identify with the contras and are friends of the contras. They want to unite against us. They say: We must unite. That is what all those parties say. Of course, they are so weak and they are such cowards! When a person is weak and cowardly he does not face another person alone; he looks for a lot of people to attack that person in a group. Hence, since they have no strength and they know that on a one-to-one and face-to-face basis the FSLN [Sandinist National Liberation Front] will crush them, they say: Let us unite against the FSLN! Let us join forces!

They are trying to unite right now. Let them unite! What are they waiting for? We will wait here for them. We waited for them in Esquipulas and I am sure that here, either united or separately, we will defeat them like we defeated the Reagan policy, which used the mercenaries. We will defeat them anywhere in Nicaragua, even if they unite. It would be better for them to unite. I might even add: What are you waiting for? Why are you arguing so much? Unite once and for all, and we will see which cock fights better—Sandino's red and black [reference to Sandinist National Liberation Front flag colors] fighting cock or the Yankees' fighting cock! [applause]

Do you think the Yankees have fighting cocks here? Do you think so? Do you think the Yankees have fighting cocks here? [crowd shouts: "No."] That is the problem the Yankees have: What they have here is hens, not fighting cocks. [applause] We really have no rival. What is serious is that the effort that the Nicaraguan Government and people are making to carry out the election process in normal and pure conditions is not being considered, and no country in America, not even in the United States, has maintained an election process in such pure conditions.

We would like to see the United States and all the Latin American and Caribbean countries that are members of the OAS do what the Nicaraguans are doing: We are allowing the participation and supervision of UN and OAS observers in the election process. None of these countries does that. The Yankees do not do it. They carry out elections any way they please. They do not care for the people or for the U.S. peasants. No Latin American country has done this either.

We have said it at the OAS: Gentlemen, if you want observers to participate in elections, then let all the OAS countries—the Latin American countries and the United States, since the United States is a member of the OAS—permit the presence of UN and OAS observers in all the elections. They do not like that. They do not.

Elections in Nicaragua are truly democratic. I am sure that elections in many Latin American countries and in the United States—in countries that want to give us lessons about democracy—are questionable. I am sure that they have much to learn about the meaning of democracy from us in Nicaragua because here we do have an examplary democracy.

I am going to be talking about the kidnapped people. A comrade here has asked me about those who are in prison outside of Nicaragua. The peace plan we signed on 7 August in Honduras is making progress. Five presidents signed a peace plan there. One important element of that plan is that the contras must leave

Honduras and surrender their weapons. War must come to an end because no one wants war in Nicaragua. All the Nicaraguans want peace. I invite all the political parties, churches, and media of Nicaragua to demand that the Yankee Government respect the peace plan we signed in Honduras, to demand that the Yankee Government withdraw the contras immediately and make them accept the peace plan immediately and stop launching attacks against the Nicaraguan people. We demand that.

Nicaraguans in favor of the contras remaining in Honduras and killing Nicaraguans would be accomplices in those crimes.

You came to Esquipulas from several communities in the countryside and other far away places, and you had to travel along many roads. You know that the contras perpetrate atrocities, place mines in the highways, ambush the vehicles, and so forth, endangering the lives of all the Nicaraguan people, peasants, and, above all, the lives of thousands of Nicaraguan men, women, children, and old people who work and live in these mountains, villages, and communities.

Therefore, we must demand that all the churches, all the political parties, and all the Nicaraguans raise their voices and demand peace. We must demand that the contras surrender their weapons, that the contras surrender their weapons [repeats himself], and get to work. That is what they have to do. Mind you, we are not seeking revenge despite the crimes they have perpetrated. We are not talking about sending them to trial or imprisoning them. We are forgiving their crimes and we are inviting them to come and get to work.

We also tell the comrade peasants who have lost their relatives, whose brothers and fathers were assassinated by the contras, or whose women were assassinated by the contras: Let us not seek revenge. The important thing is to achieve total peace. We won the war against the Yankees but we need to achieve total peace. All the contras—both the ones who are in Honduras and the ones who are here in Nicaragua—must surrender their weapons if we want to achieve peace. They must surrender their weapons. Nothing will happen to them; nothing bad will happen to them. Only good things will happen to them. They will have the opportunity to work, produce, and join a cooperative, if they want to become members of a cooperative.

That is the task, the responsibility that all the Nicaraguan people face. We must work for peace and demand that all the Nicaraguan groups clearly voice their support for peace. I have talked with Cardinal Miguel Obando y Bravo and he advocates peace. I do not think there is a single priest who does not advocate peace; there is not a single leader of the Evangelical Church who does not advocate peace—because I have talked with leaders of the Evangelical Church. I recently went to Nueva Guinea with the Reverend Gustavo Parajon, leader of CEPAD [Evangelical Committee for Development Aid], and he advocates peace.

We must strengthen the peace commissions because they include the Catholic Church, the Evangelical Church, the community leaders, the government, the Army, the Interior Ministry—all the authorities are there—plus the political groups, the UNAG [National Union of Farmers and Cattlemen], the producers, everyone. What for? What are the peace commissions for? Do the peace commissions sponsor something bad? Do the peace commissions sponsor the war? Do the peace commissions sponsor vengeance? The peace commissions sponsor peace, fraternity, and brotherhood among all the Nicaraguans. You know about the peace commissions. Have you heard about the peace commissions? What? Have you heard about the peace commissions? Let us see. Have you heard about the peace commissions? [crowd shouts: "Yes!"] Do you agree with the peace commissions' role? [crowd shouts: "Yes!"] Do you want peace for Nicaragua? [crowd shouts: Yes!"]

Will we welcome them? [crowd shouts: "Yes!"] We will welcome them as brothers. We are willing to welcome them as brothers, but they must surrender their weapons once and for all. Thus, we will not have to go and deal harshly with those who now reject our offer—because we will then strike them with our fist until we crush them. [applause] We can perfectly well reach an agreement on friendly terms, on friendly terms [repeats himself] and things will work out well for them and for us. However, if we cannot reason with them and if we have to use force, then things will work out well for us and very badly for them! [Applause]

Comrade Daniel Nunez, president of the UNAG, has been preparing a list of peasants involved in counterrevolutionary activities, and he has requested that they be released. We have already released peasants involved in counterrevolutionary activities in Pantasma, Esteli, and recently in Nueva Guinea. We have released 283 peasants. Comrade Daniel Nunez has a list of approximately 1,000 peasants. He was supposed to give me the list on 3 September, which is close to Peasants' Day, but we decided to hold the event today, thus turning Peasants' Day into a big event.

I wanted to be here with you in Esquipulas because I had already promised to be here with you, but I have some previous engagements. I have to go to Libya. I have been invited by Comrade Al-Qadhdhafi to participate in the celebrations to commemorate the 20th anniversary of the Libyan revolution. I will then travel to Yugoslavia because the meeting of the Nonaligned Movement will be held in Yugoslavia with the participation of more than 100 countries from Africa, Asia, and Latin America.

Relations with Libya are very close, very friendly. The Yankees have tried to break Nicaragua's relations with Libya, but, logically, the Yankees cannot tell Nicaragua with whom it will establish relations and with whom it should not establish relations. The Nicaraguan people decide that, and we have decided to establish relations with Libya. Libya does not do us any harm; quite the contrary, it has helped us whenever it could and as much

as it could in our production and with our peasants and defense. The Libyans have helped us as much as they could, and we have supported the Libyans—who have been attacked by the Yankees. The Yankees have carried out direct attacks on Al-Qadhdhafi.

We will not pay attention to what the Yankees will scream now that I go to Libya. They will undoubtedly say how atrocious it is for me to go to Libya. Well, [Ortega chuckles] why does Bush not invite me to go to the United States and meet with him instead? [crowd shouts and applauds] However, I will not stop being friends with Al-Qadhdhafi, stop visiting Al-Qadhdhafi, or being friends with Libya because of this. Nicaragua [rephrases] we are willing to have good relations with Bush and also good relations with Al-Qadhdhafi. That is what Nicaragua wants, and that is why we are nonaligned. We cannot be a country subject to the Yankees' will. We want to be a country subject only to the Nicaraguan people's will! We will be subject only to that will! [applause]

We wanted to be here. That is why the list has not been completed—but I consider the list as received. They [the UNAG] will continue to prepare the list, but I want to tell you this: A census was recently carried out with the participation of the Red Cross and other international organizations, and it was found that there are currently 1,129 persons in the prisons. We are not talking about common criminals. There are 1,129 persons linked with counterrevolutionary activities in prison. We have released 283 prisoners, so that gives a total of 1,412 prisoners. Some of these 1,412 have been released and others are in prison, and the UNAG has requested that we release approximately 1,000.

My answer is positive. We will release them. We will do it as follows: I am going to send a request to the Legislative Assembly to release these prisoners. We will see what juridical procedures must be carried out, but we will release them in their respective places of origin like we did in Pantasma—we turned them over to their families in Pantasma—so that no one can later argue that someone disappeared.

We are saying this because there have been cases of former guards and others who have been involved with the contras, who, upon being released, leave for Honduras or Costa Rica and are not seen anymore, and then some people want to make us responsible for that.

So, to avoid mix-ups, we are now inviting relatives of prisoners to receive them, and then we release these prisoners to their relatives. We are going to be doing this legally and to that effect we are going to send a request to the National Assembly. In the meantime, the release procedures can continue and justices can still issue release orders. We are going to continue implementing this method, which is quicker, of releasing some prisoners at the places from which they are. This is how we are going to release all the peasants.

There are some contras and former guards who are still in prison. The National Assembly decided not to release some Somozist guards, and for this reason they are still in prison. There are 39 of them. I sent a pardon request for all of them but the Assembly did not approve their release.

To the U.S. Government, which is responsible for the contras as well as their commander, we have proposed the following: If it wants to speed up the release of all the people who are in prison for carrying out counterrevolutionary activities, then let it immediately order the release of all the people being held kidnapped in Honduran territory, especially in Yamales. Let us have a give and take. They release the kidnapped people, and we release the people they ask about so much.

We must realize that, throughout all these years, the counterrevolutionaries have kidnapped 7,478 Nicaraguans. This includes teachers, doctors, nurses, students, technicians, workers, professional people, and peasants—people from every sector.

Some of these people have been rescued as a result of actions by the Army and the Interior Ministry, others have been able to escape, and others were released by the contras after a while.

We have data on this. The National Commission for the Defense of Peace and Life has a list of 660 kidnapped people who are missing. That is, out of the 7,478 people who have been kidnapped, 660 are still kidnapped according to this commission.

The National Commission for the Promotion and Protection of Human Rights has a list according to which 863 kidnapped people are still missing. Pastoral teams from the parishes of Waslala, Siuna, Rosita, and Bonanza have another list with the names of 322 persons who are missing.

There are still 1,845 Nicaraguans, out of the 7,478 total, who are missing. Their relatives do not know if they are dead or alive or in what condition they are. They do know that they are being tortured and that women are being raped, such as a comrade who escaped recently from a camp has reported.

Today, from Esquipulas, I urge all the churches, political parties, and all the social and economic forces of our country, to speak up in favor of the release of the kidnapped people. Let the owners of the daily LA PRENSA, the Higher Council of Private Enterprise [COSEP] leaders, and the leaders of the rightist parties speak up for the kidnapped people also, even if none of their people is in that situation, and none of their people is. Let them do that, even if no son of theirs is a soldier on the field. I am sure that if a son of theirs were in active service they would be very interested in the war coming to an end, but they have no son in the military service. The COSEP people have their children abroad, not in the military service. The COSEP leaders are rich people who have their children abroad, not in the military

service, so they don't care if the contras kill peasants and if the Army fights the contras and if the Army boys risk death in combat.

The same goes for the owners of LA PRENSA. They have it easy. They are wealthy men who do very well and live in peace. They are free of trouble; nobody persecutes them. They are safe. It is they who live in the mountains who are not safe. Those who defend the revolution, the peasants, the small-, medium-, and large-scale producers who act patriotically, and the contras themselves are in danger. The others are not in danger. This is why they care little for peace. But they must stand for peace. They have to take a stand for two things in the immediate future. I am demanding this from them as president of all Nicaraguans, regardless of their political leanings or religious beliefs. As Nicaraguans, they must stand for peace. They must demand that the contras surrender their arms and work because such an action will amount to saving the lives and preventing the sacrifice of the Nicaraguan people. The sooner we have peace, the less grief and deaths will the Nicaraguan people experience. As president of all Nicaraguans, I must demand from all these gentlemen that, just as they demand the release of the Somozist guards and contras every day, they should also ask for the release of those kidnapped by the contras in Honduran territory every day. [applause]

This would be fair. Anything other than this would be injustice, and I am not asking them for anything wrong. I am simply asking them to help achieve peace. It is not even necessary for them to get angry. Why should a political or religious leader become angry when I ask him as the Nicaraguan president to stand for peace and comply with the Tela agreements, and that the contras surrender their arms so Nicaragua can have peace once and for all? Why should they get angry when I ask them to demand that the contras release the kidnapped, to demand that contras and guards in prison be released? If they do, they would be acting as true Nicaraguans interested in reconciliation of all Nicaraguans.

We will also make this proposal about the kidnapped to the International Verification and Follow-Up Commission [CIVS] that will be formed by the UN and the OAS. Part of the Tela agreements took into consideration the release of the kidnapped, not only of the contras and guards, but of all those who in this war are in prison or kidnapped. This is the stance we will defend at the CIVS to have the kidnapped released. This sunny morning, which fills with hope the hearts of peasants, of men and women who want to work and produce, is witness to a very special event because we are commemorating here in Esquipulas the Peasant's Day. On this historic day we pay homage and thank the peasants who have made corn, beans, and coffee spring out from these valleys and mountains. These products represent life for all of the Nicaraguan people and nation. On this historic day, we thank the peasants who, in addition to producing beans, corn, and coffee and raising cattle, have taken up their rifles to defend the land and the right to work and have schools, health centers, and peace. On this historic day, we thank and devote our memory to Bernardino Diaz Ochoa, a symbol of the Nicaraguan peasants' heroism, combativeness, and courage. [applause] Bernardino, we tell you today from Esquipulas in the heart of Nicaragua that we the Nicaraguan peasants are always here, defending your ideals, your revolution, Nicaragua's future, and the Sandinist National Liberation Front. Long live Bernardino Diaz Ochoa! [people shout: "Viva!"] Long live Esquipulas! [people shout: "Viva!"] Long live UNAG! [people shout: "Viva!"] Long live the Peasants' Day! [people shout: "Viva!"] Long live Nicaragua! Free homeland or death!

Ortega Lauds Al-Qadhdhafi, Libyan Government

LD0109200189 Tripoli Television Service in Arabic 1033 GMT 1 Sep 89

[Speech by President Daniel Ortega at meeting of Libyan General People's Congress in Tripoli on 1 September; Ortega speech translated from original Spanish—live]

[Text] I do not have the good fortune of speaking Arabic and you do not speak Spanish, but we have the good fortune of speaking the language of peoples. [applause] The language of peoples is the language of independence, of sovereignty, of revolution. [applause] You are celebrating the 20th anniversary of the Al-Fatih revolution, and we who have fought for liberation, as well as the peoples who are still fighting to achieve independence, still fighting for their self-determination, are celebrating it with you. We, the Sandinista revolutionaries of Nicaragua are celebrating this 20th anniversary—[applause]—we the revolutionaries of Latin America and the Caribbean. We are also celebrating it with the heroic Palestinian people, with the heroic people of Namibia, and with the heroic people of South Africa.

You, Libyan brothers, know how to resist and how to win. With brother Al-Qadhdhafi, we have shared difficult moments, hard moments, moments of grief, but we also rejoice at this 20th anniversary of the Al-Fatih revolution. [applause] We peoples have a sole enemy—imperialism. [applause] Imperialism has made war on the Libyan people as it has made war on the Nicaraguan people. Reagan has greatly harmed the Libyan people. Reagan tried to kill the revolution in Libya; Reagan tried to kill the revolution in Nicaragua. But where is Reagan now? [applause] Reagan had to go and Al-Qadhdhafi remained in Libya. [applause] Reagan had to go and the Libyan people are today proudly celebrating the 20th anniversary of its revolution. [applause] This has been made possible by the steadfastness of brother Al-Qadhdhafi, by the steadfastness of the Libyan people, because of the justice which is on the side of the Libyan people, and because of historic right, which is also on the side of the Libyan people.

Libyan brothers, I bring you the solidarity in arms of the people of Sandino. [applause] We are facing the same enemy in different trenches. We must unite to defeat that enemy and then victory will be assured for all peoples.

The enemy tries to divide us. The enemy has succeeded in dividing us. But we are obliged to unite to save the future of our peoples.

Long live the Al-Fatih revolution! [applause]
Long live the people of Libya! [applause]
United, we—Libya and Nicaragua—will triumph! [applause]
United, we, the peoples of the Third World, will triumph! [applause]

U.S. Beginning 'To Meddle' in Electoral Process

PA0309201689 Managua Radio Sandino in Spanish 1200 GMT 1 Sep 89

[Text] The U.S. State Department has begun to meddle in Nicaragua's electoral process. The U.S. Department, through the National Endowment for Democracy, is making its financial aid to the rightwing UNO [National Opposition Union] electoral campaign contingent upon changes in the electoral law regulations on foreign aid. During a meeting with UNO delegates, Endowment officials said that their government found it unacceptable that 50 percent of the funds must go to the common fund to be handled by the Supreme Electoral Council [CSE] in accordance with electoral law. The CSE has a pluralist structure because all the opposition political parties are represented in it.

UNO Executive Commission member Silvano Matamoros said that their sole option is to pressure the Sandinist government to amend the law. Here is Silviano Matamoros, confirming in his own words the meddling of the George Bush administration in our country's political affairs.

[Begin Matamoros recording] It was said that it was impossible to get around the 50-percent rule in the law. The economic condition for a political campaign financed with funds from abroad has run into an obstacle because the United States finds this condition wholly unacceptable. We have not received anything because this 50-percent rule is blocking the channels to obtain financing for the elections. If this rule were reconsidered and if the percentage mentioned in the law could be reduced, the CSE would by now have a sizable amount of money. This rule has totally blocked foreign financing of electoral activities. [end recording]

UNO Parties Receive U.S. Funds

PA0409183089 Managua Radio Sandino in Spanish 1200 GMT 4 Sep 89

[Text] National Conservative Party [PNC] leader Silviano Matamoros has charged that some UNO [National Opposition Union] parties are receiving U.S. dollars. Matamoros was reelected PNC president yesterday. He said there are opportunist parties in UNO that are getting dollars from the United States. He commented during his party's extraordinary convention, saying the PNC will stay in the so-called UNO to preserve the principles of unity in the struggle for democracy.

[Begin recording] [Matamoros, in progress] ...these are emotional issues that arise in an assembly. The assembly confirmed completely its support for UNO and the results of yesterday's elections. We are going to use these results as the basis for our struggle against Sandinism. We are going to continue seeking better alternatives for all Nicaraguans.

[Reporter] What was the purpose of the visit by [Social Christian Party] leader Agustin Jarquin?
[Matamoros] A courtesy visit from that party to a friendly party. We have select friends.

[Reporter] Can you explain what you meant by saying that you will fight within UNO to prevent it from straying as some parties have?
[Matamoros] I am referring to parties that are still thinking of their own interests as political parties and not of the fatherland.

[Reporter] For example?
[Matamoros] I do not want to name any, but they know who they are.

[Reporter] You said that some parties were expecting gifts or were getting gifts?
[Matamoros] That is right.

[Reporter] But you did not name them.
[Matamoros] I do not mention them by name, but everybody knows them. [end recording]

'U.S.-Imposed' Candidates Denounced

PA0409172089 Managua Radio Sandino in Spanish 1200 GMT 4 Sep 89

[Station commentary: "The U.S. Candidates"]

[Text] Two U.S.-imposed candidates, namely Mrs Violeta Barrios and ultrarightist politician Virgilio Godoy, are the product of 2 months of an intense power struggle within the so-called National Opposition Union [UNO].

Former boss Enrique Bolanos was left out. His staunchest followers within the Ramiro Guerrero Sacasa Democratic Coordinating Board and COSEP [Higher Council of Private Enterprise] booed Virgilio Godoy when the results of the voting were revealed after 10 hours of heated debate on 2 September.

Mrs Violeta Barrios' candidacy was rejected by her running mate, Godoy, who has publicly said that she is good for nothing.

It is evident that the arrival in Nicaragua of counterrrevolutionary politician Alfredo Cesar was aimed at securing the imposition of Mrs Barrios as the presidential candidate.

Behind the scenes, as the real power behind the throne, Alfredo Cesar's support for Violeta Barrios shows how far U.S. meddling has gone within opposition ranks.

In the 1984 presidential elections, opposition parties heeded the U.S. State Department's order to abstain from participating in the elections. Their candidate at the time, banker Arturo Cruz, received $150,000 from the CIA as covert aid for the opposition. At the last minute, Mr Cruz was ordered to withdraw from the elections by citing excuses fabricated by the Reagan administration that were repeated in unison by opposition members.

This time around, Alfredo Cesar has been called on to distribute covert dollars among those parties that are willing to submissively obey Washington's orders. Cesar and the Ferrey brothers have returned to Managua without giving up the $7,000 monthly salaries they were earning in Miami for overseeing from their desks the failed contra war. In her first statements as presidential candidate for the antidemocratic UNO, Mrs Violeta Barrios said that she consulted God before launching her candidacy. The contras, during 8 years of interventionist war, have also taken advantage of the people's religious fervor in an attempt to justify their crimes against them.

Divisions and clashes within UNO were exposed during the democratic voting that just ended. It is expected that contradictions among these 14 parties, which are united by discord and Washington's dollars, will continue to emerge.

Election Poll Shows Voters Prefer FSLN

PA0309222989 Managua LA CRONICA in Spanish 1-7 Sep 89 pp 4,5

[Excerpts] From 8 to 12 August, the Social Analyses Documentation Center [CEDAS] of the Manolo Morales Foundation conducted a poll involving a total of 1,200 male and female citizens of voting age, over 16, in the cities of Managua, Leon, Masaya, and Esteli. The persons were selected at random on a sex and age quota basis.

According to data provided by the Supreme Electoral Council, the population of voting age in the polled cities is approximately 40 percent of the total electoral population in the country. [passage omitted]

The events that took place during the 3 weeks prior to the poll produced a disposition that clearly favored the Sandinist National Liberation Front [FSLN]. There was the intense propaganda campaign that preceded the 19 July anniversary, the result of negotiations with all the opposition parties at the Olof Palme Auditorium and the Tela agreement by the presidents of Central America. All these events created for the FSLN the image of a winner.

Contrasting with this, the opposition has been hesitant. The National Opposition Union [UNO] does not have a unanimous opinion on the 10 years of Sandinism in Nicaragua, or on the results of the negotiations at the Olof Palme Auditorium, much less on the Central American summit in Tela. This vacilating attitude has earned that group an image of weakness. [passage omitted]

It is in this context that the results of the poll must be interpreted.

To the question: In a presidential election, would you vote for an UNO or for an FSLN candidate? Approximately 38.3 percent of the persons said they would vote for the FSLN; 20.9 percent said they would vote for the UNO candidate; 12.5 percent said they would abstain from voting; and 28.3 percent said they have not made up their minds yet.

Another question was: For whom would you vote to be president of Nicaragua? Daniel Ortega was preferred by 24.3 of the people. His closest opposition rival was Violeta Barrios de Chamorro, with 9.8 percent. Next in the people's preference was Interior Minister Tomas Borge, with 6.4 percent. Borge was followed by the opposition's Alfredo Cesar, with 2.3 percent.

It has been confirmed once again that the Nicaraguan voters have the tendency to vote for parties and organizations, rather than for persons. In the case of the FSLN, the poll shows that 38.3 percent of the people said they would vote for the FSLN, while only 14 percent said they would vote for Ortega. In the case of UNO, the difference is not as large, since 20.4 percent of the interviewed people said they would vote for UNO and 9.8 percent said they would vote for Violeta Barrios, the most popular opposition leader. [passage omitted]

The answers to questions on preference of individual political parties, without mentioning coalitions (FSLN versus UNO), show that the sum of votes for the individual opposition political parties is inferior to the votes they reach as a coalition. The people in favor of voting for the individual opposition parties that are mentioned amount to just a little more than 10 percent. This is understandable if we take into account the fact that most of the parties that comprise UNO are completely new and therefore unknown to the voters. [passage omitted]

Combat Demonstration on Lake Managua Reported

PA0409155889 Managua BARRICADA in Spanish 2 Sep 89 p 1

[By Alberto Reyes]

[Text] "It is the Army that our nation needs. This has been the Sandinist People's Army [EPS] salute to the Nicaraguan people, who, with their heroism and sacrifice, made this Army possible," Defense Minister General Humberto Ortega said at the conclusion of a spectacular demonstration on the use of sophisticated combat techniques that took place on 1 September on the shores of Lake Managua.

At about 1315 on the eve of the 10th anniversary of the EPS, some 30,000 Managua residents, many with their children, watched the maneuvers carried out by the Sandinist A[illegible]rce, the antiaircraft artillery, the glorious "Sandino [illegible]os" infantry, [illegible]5 tanks, and the ground artillery.

From their stand at the Carlos Fonseca Park, the members of the Sandinist National Liberation Front's National Directorate, Commanders of the Revolution Humberto Ortega, Bayardo Arce and Tomas Borge; Acting President Sergio Ramirez; the high commands of the EPS and the Interior Ministry; the members of the National Assembly; the Diplomatic Corps and military attaches, were also eager spectators of the skill, timing, and technical control of that Army formed to "defend us from any aggression, like the one we have experienced in the past," as Army General Humberto Ortega said.

For approximately an hour and 15 minutes, the people and members of the government watched the "brief but intense" maneuvers performed by the military forces that represent the revolution's defense shield.

The "attacks" on targets on Xolotlan Lake were started by the FAS eagles in their impressive MI-25 and MI-17 helicopters and the AN-26 transport planes. It was simply extraordinary.

Official on Application of New Investments Law

PA0309160189 Managua Radio Sandino in Spanish 1200 GMT 29 Aug 89

[Text] The gringo corporation that will exploit lumber from trees devastated by Hurricane Joan will begin operating in Nicaragua in 45 days.

Jesus Castillo, director of foreign investments, said that Nicaragua will give priority to investments that are profitable in the short term, including fishing. Regarding the exploitation of lumber on the Atlantic Coast, Nicaragua will keep 55 percent of the investment and its profits will be in direct proportion with that figure.

Bulgarian and East German investors are interested in forming a tobacco company with mixed capitals. This firm would produce 1,000 tons of tobacco, and, according to project plans, the tobacco would be planted on Ometepe Island and in Esteli, Tola, and Belen, located in Region 4. Castillo said that this investment will probably be approved in December 1989.

He said that Nicaragua needs technology, marketing channels, management expertise, and foreign currency. He added that there are 36 firms operating with foreign capital in Nicaragua, including Nestle, Agrosa [Agroindustrial de Oleaginosas], and Aceitera Corona, as well as the transnationals: Esso, Kativo, and Hercasa [Hercules de Centroamerica].

[Begin recording] [Castillo] Foreign investors are guaranteed their right to send profits and invested capitals home. They are also given access to foreign exchange in order to realize this right. I feel that this is a guarantee that encourages investors, because the old foreign investments law did not guarantee this right.

[Unidentified reporter] What are the advantages for Nicaragua?

[Castillo] This means that foreign investors will bring into the country a flow of fresh money or capital and intermediate goods that are needed to reactivate our economy or that will help complement this reactivation.

Foreign investors will also contribute with their knowledge, managerial expertise, know-how, and even their marketing channels so that Nicaragua can sell the production goods of newly created enterprises in markets of third countries.

[Reporter] However, there is a risk for Nicaragua in this. Let us take, for example, mining exploitation. It was said that gold was going to be exploited here and that it would not be taken out of Nicaragua, as had happened three times before. Does this still stand or has this policy changed?

[Castillo] This policy is valid and will always be valid. The new law on investments ensures that the national and revolutionary government will enforce this law. Therefore, we will not have the abuses of the past. This is not only true in the mining but in the forest sectors. Nicaraguans can challenge any project they deem harmful to our country, sovereignty, and independence. [end recording]

'Contra Group' Kills 3 Peasants, Kidnaps 2

PA0309154689 Managua Radio Sandino in Spanish 1200 GMT 29 Aug 89

[Text] On 26 August, a contra group attacked the Achiote settlement, located 80 km northwest of Matagalpa, and killed three peasants and kidnapped another two. The dead peasants are: Rito Granado, Irma Ortega, and Mario Romeo Angulo. A Region 6 military spokeswoman disclosed that the names of those who were kidnapped are unknown. She said that the contra attack on the settlement lasted more than 30 minutes. The contras clashed with the settlement self-defense group.

In addition, it was reported that two contras, including a leader known as Quiche, were killed on 27 August when four contras attacked a patrol near the volcano in the Dipilto area, Nueva Segovia Department.

A source from Military Region I reported that the dead contras were identified as Jaime Gomez Marin, alias Quiche, and Francisco Flores Blancon, El Caminante. Quiche was from Dipilto. He joined the contras in 1983 as a member of the FDN [Nicaraguan Democratic Forces] special services. El Caminante, who was a collaborator of the groups that operated in Dipilto, was captured by the authorities in 1985. Later on, the government pardoned him but he took that opportunity to rejoin the contra ranks.

Panama

PRD Statement on U.S. Economic Aggression

PA0309015789 Panama City CRITICA in Spanish 1 Sep 89 p 9

[Statement issued by the Democratic Revolutionary Party Economic Committee in Panama City—date not given]

[Text] 1. The National Executive Committee of the Democratic Revolutionary Party [PRD] has asked the PRD Economic Committee to issue a number of guidelines that contribute toward drafting an economic proposal that will deal with the challenges our society will face over the next 5 years.

2. The economic war waged against Panama over the past 2 years has destroyed 20 percent of our economy thus far. The weakening of our economic structure has been felt for a number of years. The aggression worsened and accelerated that economic weakening. The 7 May elections reflected the feelings of attacked people to whom we could not offer real hope and options.

3. These guidelines are outlined within a framework that includes the continuation of the low-intensity war against our country over the next few years. Consequently, we assumed that the U.S. economic aggression will continue. If that is so, the U.S. companies established in Panama will not pay their taxes to the Panamanian Government. Panama will not receive financial aid and loans granted by international organizations and commercial banks and it will not receive donations from organizations controlled by the U.S. Government.

4. The Panamanian Government has devised a contingency plan designed to work for a short period of time. The goal of that plan is the nation's survival over the next few months. The guidelines here outlined should lead to drafting an economic program to be implemented in 1990 and until about the middle of the next decade.

5. Under the aforementioned restrictions and assumptions, the fact that no agreement has been reached with the U.S. Government puts us in a more advantageous position in the sense that we can make our own decisions, as the changes and adjustments that our economy requires will be carried out without external influences from the U.S. Government, the IMF, or the World Bank.

6. How to finance the acquisition of imported goods and solve the unemployment problem seem to be the most important economic objectives for the next 5 years. Hence, obtaining foreign exchange and solving the unemployment problem are the main goals to be achieved through this government platform. During this decade, the annual growth of our job market has been double that of the population growth. [sentence as published] Consequently, unemployment is not merely a circumstantial problem, but a structural problem. Meanwhile, obtaining foreign exchange could become a critical problem if we do not expand our foreign trade at a rate capable of making up for the drop in external financial aid expected over the next few years.

7. Foreign trade must be increased by diversifying our exports and services (especially our exports), as well as our markets; by securing direct foreign investment; by signing agreements designed to expand our markets; by making our economy more productive by eliminating distortions, giving priority attention to small producers in the fields of agriculture, industry, and commerce; and by paying special attention to the development of an informal economy.

8. We do not believe it would be wise to implement sudden changes in our economic structure. Therefore, development of the Center Port as a project for economically strengthening of our service-related type of economy is a priority. If there is a large enough market demand, we could open our system further and reduce taxes on products that are not produced in Panama. We could also promote the creation of purchase centers to break, politically, the economic siege being applied to us. Panama has important advantages to offer to attract foreign enterprises. It appears local businesses do not have the capability of generating enough jobs for the people. Therefore we must review the country's condition to make it more attractive to direct foreign investment dedicated to exports.

9. As for the local market and with the intention of gradually eliminating elements that make it produce very little, we will have to break away from the market system of patents, exclusivity, and trademarks, which affects free and low-cost importing of many staple items. Similary, we believe it is necessary to revise our tax system and develop overall agrarian reform.

10. The role of the public sector, both as employer and businessman, must be revised. The weight that the public sector represents as an employer on the public finances, in other words, the weight the payroll represents, is well known. Approximately 95 percent of the revenues the government receives in taxes is used to pay the government payroll. To take care of our society's basic needs, there will come a point when we will have to organize a new distribution of public tax revenues, thus affecting the funds used by the public sector to pay its personnel.

11. Due to the lack of investment resources, as a businessman, the public sector must consider the possibility of developing a mixed investment policy. In that way, the private sector can become an associate of the state by contributing with its capital and technology toward the development of new investment projects, which among other things would create jobs. The state would contribute to those projects with the infrastructure and land.

12. Small agricultural, industrial, and business groups will be a special object of attention of this 5-year program. As a source of cheap labor, all the money the

public sector can save and all the foreign aid that can be obtained must be channeled to the development and financing of the aforementioned groups.

13. The informal economy sector, which has grown significantly over the past few years, must also be the object of special attention. It must be supported administratively, taking into account that it is a low-income and low-production sector. The promotion of that sector must be considered a temporary goal and not a permanent one.

14. The entire current package of fiscal incentives for the private sector must be revised. That package must be designed to promote employment and not capital. At present, the package promotes capital in medium-sized and large businesses.

[Signed] PRD Economic Committee

Escobar, Others on U.S. at OAS Meeting

PA0409042789 Panama City Domestic Service in Spanish 1215 GMT 1 Sep 89

["Liberation Trails" talk show featuring Rigoberto Paredes, legislator of the Democratic Revolutionary Party, and journalist Baltazar Renan Aizpurua at the Radio Nacional studies in Panama City, and Romulo Escobar Bethancourt, former Panamanian Government representative at the OAS and canal treaties negotiator, who speaks over the telephone—live]

[Text] [Aizpurua] We have on the line Dr Romulo Escobar Bethancourt, who will express his opinion on the U.S. representative's remarks on General Manuel Antonio Noriega at the OAS. Come in, Romulo, you are on the air.

[Escobar] My remarks at the OAS session should not be construed as a trap laid before the U.S. representative. At international meetings, the United States has always demanded that General Manuel Antonio Noriega be condemned. They also did this at the OAS foreign ministers council. They succeeded in having a paragraph against Noriega included in the first resolution. All during the latest meeting, they did everything possible to have the foreign ministers meeting condemn Noriega. This is why I demanded that they present the evidence, not to lay a trap before them. If you go to an international conference and ask that this conference condemn a person, you must present the evidence whereby you want this person condemned. However, after a request to present proof has been presented, you cannot say that you cannot present it publicly. If you cannot present this proof publicly, why do you publicly ask that Noriega be condemned? What happens is this. They do not have any evidence, either public or private, against Noriega. They have instead mounted a propaganda campaign against Noriega's prestige and honor, which has lasted more than 2 years. All of their accusations against Noriega have been made through newspaper articles and gossip. They use phrases such as: Somebody told us; we have a witness who does not want his name revealed; a State Department official who has asked to remain anonymous. This has been going on for 2 years.

At the OAS, I said: All right, you are asking this conference to condemn Noriega. Produce your evidence. They were unable to. They have now called for a special session of the OAS permanent council, but again did not present any evidence, for the simple reason that they do not have any. They defended themselves by saying they cannot present it publicly. Then, why do they accuse and condemn him publicly as if he had already been tried? Our representative, Cabrera, asked one of Noriega's lawyers, who replied: They do not have any evidence. They only have statements by convicted criminals. In exchange, these criminals will get a reduced sentence if they accuse Noriega. The United States has not produced any evidence. They have collected what papers and magazines they have published and presented it at the permanent council, saying: We accuse this man of this and that. So they make up a list of these things. Yet they never back up this accusation saying: We accuse him of this and here is the evidence. They simply say: We have accused him of this. They act on the grounds that we must believe their words for the simple reason that they are U.S. officials. We have told them that we do not believe them, that they must present the evidence, which they will not do. For the first time since they started their campaign against Noriega, they have been criticized by international opinion, which told them: It is true [Escobar's contentions]. For years, we have been reading articles against this man, which you have scattered throughout the world, but we have never seen any evidence against him. Yet, this is fundamental in a trial.

If you accuse someone, you have to present.... [changes thought] For example, when he went there [to the OAS] yesterday, he said that in Panama Noriega has a house valued at $600,000. Here in Panama, many people have homes valued at $600,000 and even more. I know doctors, lawyers, architects, and engineers who are reputed and prosperous professionals here. When a person reaches a certain degree of prosperity in this country, the first thing he tries to obtain is a good home for his family. Construction here is very expensive. If the U.S. representative were to come here to Panama, I could give him a tour of Panama City and show him a large number of homes worth $600,000 or more that belong to prosperous Panamanian professionals. Would he then say that each of these persons' homes that is valued at more than $600,000 is the product of drug trafficking?

From the legal and juridical standpoint, any such statement would be ridiculous. If you were to go to a court or organization and say that in Panama this gentleman has a $600,000 home, you would first have to prove that the $600,000 was received illegally. The mere fact that one has a $600,000 home does not mean that one has committed a crime. You would then have to prove how the funds were obtained. If you have no proof, then you should not be making accusations against anyone. The

protection afforded each individual is that anyone who makes such a charge has to go to the courts and present proof of the charge. That is the protection that is afforded not just to Noriega, but to all human beings all over the world. Every individual's protection under the law is that he who is making the charge has to present the evidence to back up the charge.

Nevertheless, he showed up and said that Noriega has a Boeing 727 plane. He did not present any proof that Noriega owns a Boeing 727 plane. We, in turn, do have proof that the Boeing 727 belongs to the Panamanian Air Force, but we do not have any obligation to show him this proof because we are not accusing him, that U.S. gentleman, of anything. If he wants to prove that that Boeing 727 belongs to Noriega, then he has to present the documents that show that it belongs to Noriega. He cannot go to the OAS Permanent Council and simply say: That gentleman has a Boeing 727. And bingo, just because he says so and he is a gringo, it becomes automatically true.

This is the position we presented to the OAS, and it is not only our position. You may ask any lawyer here in Panama, in the United States, or around the entire world. Once an accusation has been made the lawyer will say: Very well, where is the proof of your charges? This is the only thing that we have demanded.

He now claims that he cannot present this proof publicly because it would affect the process under way against Noriega and affect Noriega's right to an impartial trial. They cannot judge Noriega impartially because they have already virtually condemned him through their magazines and newspapers. Furthermore, in that country when a case is being tried in a state or county and in that location a lot of propaganda has been made against the accused person, the case is transferred to another state. There is no state in the United States where the Noriega case can be transferred, however, because in all of the states of the United States for the past 2 or 3 years they have been making propaganda against Noriega and condemning him through the newspapers.

Under these circumstances, if they wanted to try Noriega right now and Noriega's lawyer were to say: Very well, in what state will he be tried? There would be no answer, because in every single state they have already carried propaganda against Noriega over television. They are violating their own laws. They are violating their own laws by condemning him without a trial; by condemning him without having presented any proof. If they cannot present any proof publicly, why have they tried him publicly? Why have they asked international organizations publicly to approve condemnations of Noriega? Now when one asks them for proof, they say that this proof cannot be made public.

This is absurd. We have been affirming since the beginning that, in addition to conducting a slander campaign against Noriega, they are also attempting to unsettle the Defense Forces to reorganize them as they like and according to the tastes of certain Panamanian oligarchic sectors as the primary requirement to force the country to approve a new treaty that would permit the U.S. troops to stay here beyond the year 2000. The Panama Canal would not be returned to Panama. In case it is handed over to Panama, it would be on the condition that Panama privatize the canal administration, as the United States has been advocating for several years. Because Noriega, the nationalist movements in Panama, the country's progressive people, and Panamanians in general disagree with these U.S. Government plans, Panama is now being subjected to this economic and military aggression.

Noriega is only a pretext. We have assumed the responsibility of demanding this proof because we have 1,001 arguments to demonstrate that they do not have any single bit of evidence. The rest of our argument is that they keep referring to the famous indictments they have in Florida. This is why one of Noriega's lawyers told Cabrera that the witnesses the United States has are criminal convicts, who in this way get reduced sentences. All I have seen is a list of the same things they published in their magazines 1 or 2 years ago. However, going to the permanent council and not presenting any evidence leaves much to be desired of the U.S. administration of justice.

[Aizpurua] We would like to ask you a question. Based on what international law does the United States apply its jurisdiction and its administration of justice over any citizen of Panama or the world? Are you still there? Apparently you did not hear the first part of my question for some technical reason. Based on international law, can the United States justify the enforcement of its law over any citizen of any country in the world in a U.S. state? We understand General Noriega has committed no crime in the United States. What is the basis for this accusation, Romulo?

[Escobar] First, Noriega has perpetrated no crime, either in the United States or anywhere else. This is my firm personal conviction. Second, the United States should enforce its laws on the territory under U.S. jurisdiction, not in any territory governed by other countries. Concerning criminal cases, when a country is confronted with juridical situations that involve crimes committed out of its jurisdiction and that somehow affects legal and penal systems that violate its laws in any manner whatsoever, the countries involved apply international norms that have resulted from international agreements. This is why countries sign extradition treaties. Something like this is now happening in Colombia in connection with the extraditables. Colombia has abrogated a law forbidding the extradition of its own nationals to another country. Most of the countries of the world, including Panama, do not usually extradite their nationals to another country. This is one of the reasons.

In Noriega's case, for instance, the United States has instituted indictments [preceding word in English]

against him involving false charges based on the testimonies of persons who have confessed and have already been convicted in the United States. It is trying to enforce U.S. laws in the United States on a Panamanian citizen who is in the Republic of Panama, who has not gone to the United States or committed any criminal offense there, and who has in no way affected U.S. interests or violated criminal codes in any of the states of the United States.

Under these circumstances, I feel that—from a simple procedural standpoint—the United States is committing a transgression. However, there is something even worse in this. Under our system, for instance, if a person has to be prosecuted, an indictment is filed or a case is opened. If the person is absent, the legal action continues and the state may even appoint a defender to defend him or her if there is no lawyer to confront the problem.

It seems that under the U.S. system, when an indictment is filed and a case is opened against someone, the case is kept in abeyance and the trial can only begin when the person is physically present. Therefore, the United States can keep the case pending 1, 2, 5, or 10 years. Sometimes I have asked why, for instance, no action is taken regarding the indictments against Gen Noriega, or why U.S. authorities do not move forward with the legal action. The answer is that they cannot move on with these actions if the defendant is not present in court.

Based on this, they can keep the case in abeyance for many years but, in the meantime, they go on and pass judgment, condemn, discredit, or besmirch the person's image in the public's eye in newspapers and magazines. Meanwhile, they claim that they cannot move on with the process in court and this leaves the accused without any right to defend himself or herself because they are holding the case in abeyance. When it comes to presenting the alleged evidence against Noriega, they state that they cannot affect the case against Noriega or Noriega's rights in the case. This is what they have (?said), but have not allowed Noriega to exercise his rights, because they are keeping the indictments pigeonholed and continue to use them for propaganda purposes.

So, when the U.S. authorities had to go before the OAS Permanent Council, they said that they could not present the evidence. Concerning your question, I would say that this also involves a transgression regarding U.S. competence or jurisdiction to prosecute persons who are not U.S. nationals, who are not in U.S. territory, and who have not committed any criminal offense in territory under the U.S. jurisdiction. Aside from this transgression, their actions are all the more slanderous in Noriega's case, because, in addition to committing all of these violations, the United States has not even taken the trouble to present anything to international organizations. Simply taking advantage of the fact it is a superpower, the United States has gone before an international organization like the OAS and told it: We want you to declare this man guilty. And that was that. They view this as a trial.

This is exactly what has happened in this case, distinguished newsman. Nothing else has happened. If 2 or 3 years have passed, how can they come out at this late date and say that they cannot present the evidence? Yet, they have used tons upon tons of paper, television film, and money around the world to claim he is guilty and to discredit him. I think it is our duty, not only as Noriega's comrades and friends, but as Panamanians to defend a fellow countryman when he falls victim to their infamy at an international level. We have an obligation. I feel that this is an obligation not only of persons who have ties with him, but of every Panamanian. It is our obligation, when a Panamanian is a victim of politically-motivated slander [words indistinct], his prestige, his honor, to come out in defense of that person and (?ask these gentlemen): What is going on [word indistinct], what kind of disrespect is this?

It is a fact that we are a small nation, but we have just as many rights in the world as the United States or any big power under the rules of international law, which applies equally to small and big states. Panama may be a small country, but it does not have to put up with diatribe or slander against it or its citizens. For example, people who travel more or less frequently abroad know that they portray the Republic of Panama abroad as a drug production and trafficking center that is worse than Colombia.

This is the image they give of Panama abroad. When we travel to other American countries or Europe, for instance, many people ask us questions because they are under the impression that 50, 100, 200 people are getting killed every day on our streets and that the people enjoy no security at all. This is the image of our country they present to other countries. So, we Panamanians have to go out and defend not only Noriega, but our country's prestige. They are slandering Panama before the world as a step prior to attacking it.

The United States is carrying out a discrediting campaign which is aimed not just at Gen Noriega, as some opposition sectors believe here. It is a campaign against the Republic of Panama, which it is reviling in every country in the world to create the conviction that Panama is a no man's land, that there is anarchy here, that Panamanians do not know how to govern themselves, and that the United States has to protect this territory.

This is the nature of this international propaganda. So, that is why we have to go out and counter these things. Each time the United States makes an assertion, each time it appears at a forum and raises a charge against our country or against Noriega, we must immediately come forward and say: You are raising a charge, so present the evidence. We have to do this, so the international organizations may learn what is happening. We do not have international agencies, or satellites, or any propaganda capacity. Therefore, we have to exercise these rights, which are elementary rights of individuals and countries. Most

often these rights are very effective, because they are designed to find the truth and dispel lies.

[Paredes] I would like to ask you a question.

[Escobar] This is what I can tell you.

[Paredes] Romulo, are you listening? I want to ask you a question. It is: Why, if he knew that he had no evidence and could not present any, did the U.S. representative make all this fuss and call for a meeting of the OAS Permanent Council? All he did was make himself look ridiculous. I ask: Why was this call made at that time? Also, I have a second question to ask: Once and for all, why, if Colombia has laws with which it can try people who commit crimes, does it not retain its citizens who are arrested there for crimes and try and punish them in Colombia itself, rather than send them to another country to be tried and punished there?

[Escobar] Concerning your first question, I would say that, in my opinion, the United States rushed at the last minute to call for an urgent meeting of the OAS Permanent Council to allegedly present evidence for two reasons: First, because, frankly, during the meeting of OAS foreign ministers, the United States was unable—after it had insistently asked for a condemnation—to present any evidence when it was urged to do so. This impressed all of the American foreign ministers very much. They asked themselves how anyone could actually ask them to condemn someone for something based on a little speech by a gentleman.

The other reason—which I also think is very valid—was that, in view of a change in government being imminent in Panama, the United States had to take some action or make some last-minute maneuver to try to tarnish the change in government in Panama, which was going to be made in a normal manner in keeping with our own legal provisions and based on our own will as a sovereign nation. To tarnish this change of government, to tarnish the turnover of power in Panama, the United States tried to lay a smokescreen by presenting these documents which, I repeat, represent no evidence. The evidence consisted of articles that the newspapers it [word indistinct] have been publishing.

As for Colombia, this is a problem between Colombia and the United States. Colombia has its own laws. It has its own legal rules. Therefore, I think each country has its own ways to solve its own problems. One cannot get involved in Colombia's case because it is experiencing extremely serious times.

For instance, the Panamanian Government sent President Barco's administration a message of solidarity. President Manuel Solis Palma sent it. He expressed solidarity regarding the crucial times and the way President Barco is acting, and President Barco answered President Solis Palma. This is the Panamanian Government's attitude concerning events in Colombia. Panama showed respect for Colombia and sent a message to its president at this crucial time there, but did not try in any way to meddle concerning how Colombia solves the problem.

The problem of extradition of Colombian citizens to the United States has arisen because, according to all indications, drugs are being smuggled into the United States from Colombia in large volumes and those two countries are trying to reach agreement and establish some sort of legal rules so as to be able.... [changes thought] The two countries feel that it is best to send some of those people, criminals, or drug traffickers—even if they are Colombian nationals—to the other country, in this case the United States, the country being affected by the sale and use of the drugs.

This matter falls within the power of states and their legal system. If Colombia and the United States feel that—to fight the drug trafficking, to protect themselves as countries, and to safeguard the health and integrity of their citizens—it is to their convenience to reach agreements or to establish legal norms to protect themselves from this trafficking, then the entire world must respect their decision, because what the two countries are trying to do is to protect themselves from a scourge of humankind during the 20th century, drug trafficking.

I believe this represents the options of Colombia and the United States. The two countries can decide and adopt all the legal norms they consider necessary and other states must respect it. However, many states, including ours, have laws against the extradition of a citizen. That is a virtually universal principle. Each country will punish its own citizens when they commit a crime in their country, but it does not extradite them. However this is a different type of crime because it does not involve just one country. For example, drugs are produced in one country and taken to another where they are consumed. What Colombia and the United States seem to be doing is adjusting their laws to a new situation that the two countries are confronting.

The truth is, we cannot criticize them or meddle in what they are doing. I believe that if a state is to operate properly, it must have the respect of other states. That is what we are asking the United States to do regarding Panama—that the United States respect Panama's sovereignty; respect Panama's right to self-determination; and stop trying to control our domestic affairs. The respect we are asking for our country is the same respect we have to give to other countries. In a moment of crisis like the one experienced by Colombia and the United States because of the drug problem, they have decided to adjust their laws and other countries must respect their decision.

[Aizpurua] Romulo, I am going to take a little more of your time. I know for sure that you will be present at the ceremony during which President Francisco Rodriguez will be sworn in...

[Escobar, interrupting] I did not hear the question.

[Aizpurua] I am taking a little more of your time, but I know for sure that you will be present at the ceremony during which President Francisco Rodriguez will be sworn in. I would like you to comment on one last question I will ask.

Yesterday at the OAS, Deputy Secretary Eagleburger said that the United States is abiding by the treaties. He talked about housing units being returned to Panama and other things. He said that the United States has promoted growing Panamanian participation at all levels of the canal work force. He added that, in the past, there were only two Panamanian canal pilots and that today there are many more. He also said that the United States is abiding by the treaties. Eagleburger also said that the money the United States froze was frozen at the request of the traitor Tuturo [Eric Arturo] Delvalle, because the United States recognized him as the constitutional president. He said that those funds are deposited in a New York bank. What do you think of all this? Also, who will the United States authorize to handle those funds? What is going to be done in light of this robbery, in light of this illegal action that violates the treaties and international law? What do you have to say about this?

[Escobar] Everyone in Panama knows that the treaties are not being respected. Everyone knows that the United States began violating the treaties the minute they were implemented. Everyone knows that the growing Panamanian participation in the canal work force, especially in high-ranking positions, as established in the treaties, is not taking place. When an important position becomes vacant, the United States usually declares it a sensitive position so that only a U.S. citizen can fill it. For example, they came up with the idea of a chief engineer. They did this to take away the duties of the next canal administrator who must be a Panamanian. They have virtually put the canal administration duties in the hands of the U.S. Executive Branch. They have done this in open violation of the treaties, which call for the operation of the canal to be in the hands of both countries.

Militarily, you have seen all the violations they have committed. Every day they violate the military guidelines established in the canal treaties. They have disregarded the guidelines on military bases, coordination areas, military maneuvers, convoys, the need for consultations with the Combined Board, and the need for discussion of strategies with the Joint Committee. They have slowly turned all that into a dead letter. They claim they are abiding by the treaties for export purposes alone; however, the Panamanian people know that this is not the case. As a matter of fact, we have complained to the international organizations and around the world because the United States is not abiding by the Torrijos-Carter treaties. The United States is constantly disregarding the treaties; it has actually mocked the treaties that, at the time of the signing, were supported by all the Latin American countries. That is the answer I would give you to their statement that they are abiding by the treaties.

As a matter of fact, a very good analysis of the situation was made by a distinguished journalist, by Luis Restrepo. In his analysis he mentioned approximately 50 violations to the Panama Canal treaties. His analysis is a detailed study that has now become part of the Foreign Ministry's doctrine. The Foreign Ministry uses this document to support its complaints. The same document is used by the Panamanian representatives when they present their complaints before the Panama Canal Commission. Therefore, we do not believe the statement that the treaties are being respected is accurate. Quite the contrary, we are demanding that the letter and spirit of the treaties be respected. To guarantee that the U.S. troops will withdraw from Panama in the year 2000 and that the canal will be turned over to Panama, we must, as of right now, ensure that the various clauses established in the treaties are respected. That is the only way for us to make sure that when the day comes, Panama will be ready to assume administrative and military responsibilities involving the canal. That is what I could say in response to part of your question. What was your second question?

[Aizpurua] About the frozen funds. The United States used the excuse that the traitor Tuturo Delvalle was the constitutional president. Now that his, quote, constitutional, end quote, period has ended, what excuse will they find to continue withholding Panama's money?

[Escobar] They have already announced what they are going to do. They have no intention of giving that money back. They have now said that they will not release that money until a democratic regime is installed in Panama. They are the ones who are going to decide when Panama will have a democratic regime. To withhold that money, they are never going to admit that Panama has a democratic regime. In other words, those who helped freeze the Panamanian funds have only opened the doors for the United States to keep Panama's money, and for this they use political excuses that have nothing to do with the money that belongs to our country.

The United States paying Panama its annuity for the canal, giving the government the income tax and social security quotas deducted from the Panamanian worker's wages, and the taxes that the U.S. companies in Panama must pay, has nothing to do with whether there is or is not a democratic government in Panama. That has been used by the United States as an excuse to retain the money, to keep that money frozen, even spend it. The U.S. Senate is already demanding an investigation into the spending of that money. What I think Panama must do is prepare to formally present its charges before international organizations and courts.

Panama must legally demand the return of all the money that belongs to the country that the United States has frozen. It must also demand payment of the interest earned on that money. Panama must determine how much money is involved and not acknowledge any expenditures on this money, regardless of the pretexts and concepts used to explain the expenditures. That

money must be returned to Panama complete. This is what I believe Panama must do. I think that instead of maintaining a passive attitude and simply protesting that the United States has frozen these funds, Panama must denounce this situation at the OAS and the United Nations, at the Nonaligned Movement, at all international organizations, regardless of whether or not Panama belongs to any given organization. The country must denounce that the United States is unjustly and illegally retaining money that belongs to Panama. In addition to protesting and denouncing the situation, Panama—the new government—must create a special legal team charged with formally filing suit so that the United States returns all that money and so that it indemnifies Panama for all the damage it has inflicted on the country as a result of its economic aggression. This involves billions of dollars, because this is not a matter of just the $200 million or $300 million the United States is retaining. We must file claims over the severe damage it has inflicted on Panama and over the economic setback the United States has imposed on Panama with its economic blockade and destabilization policy. All this has to be quantified from an economic point of view to file suit.

I think that this is a good opportunity for the new Panamanian Government to assume an assertive international role in demanding the money that legally belongs to Panama, as well as payment of an indemnity by the United States for the damage it has inflicted on Panama because of its unjust policy toward our country.

[Paredes] Romulo, on behalf of this program I thank you. I also want to congratulate you again for the impressive and victorious speech that you, as a patriotic Panamanian, delivered at the OAS representing an entire nation that claims liberation. Today we feel pride again, on this program, because with your answers we have secured a scoop for the Panamanian people. The OAS council met yesterday to receive evidence that never arrived. The U.S. representative, Eagleburger, produced only excuses, thus making evident, Romulo, that you were right in demanding to see evidence. This has proved that your demand was not a trick, but an effort to make truth prevail. You made a demand and the new failure of the U.S. representative at the OAS confirms your victory and that of the Panamanian people. Thank you, Romulo. God willing, we will see you at the swearing-in ceremony for the new president and vice president, Francisco Rodriguez and Carlos Ozores, respectively.

[Escobar Bethancourt] Thank you.

[Aizpurua] Rigoberto, we are near the end of the program, but I have to add something. With his participation in this morning's program, Dr Romulo Escobar Bethancourt has demonstrated that it is the United States who speaks excrement, that it is they who tell the world a bunch of shit [caca]. It is obvious that their arguments against General Noriega and against our country in violation of treaties are based on a lot of garbage, meanwhile they steal funds that belong to the Panamanian people.

The shitting continues. In Washington, Juan B. Sosa has delivered the keys of the Panamanian Embassy, which is Panamanian property, to the State Department. Big Lips Sosa [pejorative nickname for Juan B. Sosa] has said that he plans to request political asylum in the United States, and that the embassy period has come to an end, but the final word has not yet been said. That is what Juan B. Sosa said.

[Paredes] He is saying the last word. Let him stay over there. What has a traitor of his kind got to do in Panama?

[Aizpurua] I agree with Rodriguez when he speaks about giving all sectors, even our adversaries, the opportunity to contribute toward creating a new fatherland, but traitors are the one thing with which we will never be able to build a new fatherland.

[Paredes] An adversary is one thing and a traitor another. Let us have no confusion about this.

[Aizpurua] At the conclusion of the ceremony to announce the new government—the new president—General Noriega said that relations with the United States can improve, that we have this disposition, and that Panama maintains an open door policy. It was noble of him to say that, but it is true, relations with the United States must be viewed based on the North Americans. I find the Bush Administration's position rather untenable. Let us hope it receives good advice and realizes that it has been completely mistaken, that it maintains an absurd foreign policy that results in being very costly and will continue being costly to them.

Noriega said that Panama, with the appointment of the new president, has lived through a historic moment in the framework of its liberation, sovereignty, and laws. That is the way it is and the way it will be. We will go on. Do you have anything else to add?

[Paredes] Baltazar, I would like to quickly mention an issue Romulo touched upon at the end of his statement in answer to your question.

Panama has the obligation, not just the right, to file suit at the International Court of Justice in The Hague to demand indemnity payment from the U.S. Government. I have been saying this for a long time and I am repeating it on this program because I am sure that this program will identify itself with this position.

I maintain that a suit should be filed for $10 billion. Some believe that the problem is what has been frozen and what they have failed to pay to us. Romulo is right, these amounts are small if compared with the harm inflicted on Panama's image. Investments have flown away. The gross national product, our economic growth, instead of making progress as it was up to May 1987, has

fallen 20 percent or more. This represents almost one-fourth of a country's economic potential, and this potential will not be recovered even if the money is returned.

The people's health sector has been negatively affected. When this happens, when health services to the people, to the young, are affected, the potential productivity of the people is reduced. Productivity can be measured and if the potential productivity of Panama is diminished, it can be economically estimated and quantified.

The education level has dropped. This is sad, but we must admit it. The aggression has tremendously harmed the Panamanian people's education sector. This will also have an impact on the people's ability to produce. Psychological harm is also involved, because when the people are afraid because they do not know if one day they will awake amid bullets and bombs from an invading army, especially if the invading army is that of one of the most powerful countries of the world, then the psychological harm may be irreversible. Some people may turn distrustful and their productivity may drop, and this can also be quantified in economic terms. This is part of the harm.

Romulo spoke of the media—television, the press, radio—in all the countries of the world being manipulated by the United States, by the U.S. octopus, and the U.S. money, and I say money because the United States has many newspaper editors and columnists, as well as radio and television commentators on its payroll and because the United States sponsors programs and even television stations. It does the same for radio stations, like Radio Impacto of Costa Rica. This is an issue that the Costa Rican Government should report on. That government has rushed to deny reports made in Chiriqui by a Panama Defense Forces captain and has said that it is not true that Costa Rican territory is being used to attack Panama. Why did the Costa Rican Government not also say that it is not true that Radio Impacto operates with impunity in Costa Rica to create certain conditions in a way that goes against international law and good relations between two countries that maintain diplomatic relations?

Why has Radio Impacto not denied this, too?

This money being used to produce all the U.S. discrediting activities against Panama has resulted in almost insurmountable damage to Panama's image.

This situation scares tourism and investors away, closes markets, harms our international trade, and diminishes the possibilities our products had. We are going to consider this also. I would not be surprised if the harm that the aggression, the state terrorism the United States has unleashed on Panama, amounts to more than $10 billion. For this reason I can tell Romulo that I know there is a Panamanian team working on that suit. I do not know for how much the suit will be filed, or how the suit will be presented. This is something that is being done as a result of the arguments I have been presenting for months about what should be done. I agree with you, Romulo.

Baltazar, may this serve as a call to the new president to let discussions of this issue result in one of the first measures adopted. The fact that General Noriega said yesterday that there should be an open door policy for the United States and the opposition does not mean that essential tasks that should be tackled for the sake of the nation are not to be tackled. We cannot stop here. Open door means that we have no quarrel with the U.S. people; that we have no reason to close the doors to the decent Panamanian opposition, the opposition that also wants national liberation, that is, the nontraitorous opposition. The doors will be open for them. Possibilities of talking with the United States to reach some arrangement should not imply that Panama will abandon its rights, and we have the right to file suit because we have suffered much damage.

I believe Baltazar, that we should conclude today's program by analyzing briefly an issue—violations of the Torrijos-Carter treaties. The North Americans keep saying at all forums that they have complied with the treaties, but we know that they do not. If they comply with a certain little thing, they fail to comply with important stipulations. As we maintain our firm position and our initiative at international forums, and this has been to a great extent a fruit of Romulo's speech, we are adopting a new initiative. We cannot stop now. We cannot diminish the level of our initiative. What we did yesterday was to take a step toward the creation of the new republic. We had said it in this program: If the dialogue does not produce an agreement because our counterpart has not been authorized to reach an agreement, because the master in Washington had forbid them to reach an agreement, we cannot stop, we have to go on. Then Eagleburger convened this meeting to see how he could besmirch what we had to do yesterday. Not only can he not stain it, with the U.S. failure to produce evidence, they lost another battle. They propose battle and pick the grounds and we still beat them easily, as our people say, Baltazar. We defeated them using their own statements. This guy went to the OAS saying: Look, I am not going to present any evidence because this is a trap that the Panamanian delegate has set for me, so why in the hell did he convene a meeting? Because he wanted to create conditions to see if he could take advantage of what is happening in Colombia to establish a similarity between Noriega, whom the United States wants to destroy, and the Colombian cartel and Government. This effort failed because if you say that you are going to present evidence and you present nothing and start building up excuses, then you have failed.

They spoke there about shit [caca]. It is they who are shitting on the world, and they talk about the principle of nonintervention not including criminals. They have never been able to prove, and they never will be able to prove, that Noriega has committed any criminal action. Yesterday, however, former U.S. Ambassador to

Panama Jordan, said on Panama City's Circuito RPC Television that Noriega is a cancer that must be extirpated. Who is the criminal here?

[Aizpurua] Jordan.

[Paredes] Who is calling for a crime? This is what George Bush once said. Bush will not say it now because now he is the president of the United States. So Jordan, who is a drunkard, said it, perhaps while in a drunken state. It is they who are shitting on the world, but we are not going to let them do it here. Let them do it on Carlos Andres Perez, who is in it up to his neck; with the president next door, what is his name? Oscar Arias. Let them do it on those two, but not on us. We are a different kind of people, and we are showing them. Let the world know, ar.d them especially—we are making progress in the creation of the new republic, in the march toward an objective that will not be forgotten—the unwavering objective of securing total liberation for the country.

Officials Leave Panamanian Embassy in Washington

PA0309020489 Panama City LA REPUBLICA in Spanish 1 Sep 89 p 5

[From the "Hey, Listen" column]

[Text] Approximately 15 officials of the "fraudulent Panamanian Embassy" in Washington, D.C. turned in their diplomatic identification papers at the U.S. State Department yesterday and requested "political asylum" in the United States. Incidentally, many of them purchased homes and opened substantial bank accounts with "funds belonging to the Republic of Panama" that were managed by [former President Eric Arturo] "Tuturo" Delvalle.

Escobar Demands U.S. Compensation for Losses

PA0609045089 Panama City MATUTINO in Spanish 4 Sep 89 pp 1, 18

[Article by Roberto R Rodriguez]

[Text] The United States must compensate Panama for the damage and economic losses sustained by this country, because of the blockade and destabilization policy that has been implemented for 2 years, Romulo Escobar Bethancourt has said.

Escobar said that the U.S. actions carried out against the Republic of Panama justify the claims for compensation. The United States must also pay the accrued interest on the money, which was illegally withheld and deposited in the Federal Reserve Bank in New York and which belongs to the Panamanian people.

The interest, which the United States must pay to Panama, should be calculated without the inclusion of any type of expenditures. He said Panamanian legal authorities did not order any type of expenditures to be made.

The United States froze huge sums of money that belong to the Panamanian people and it is withholding the Panama Canal annuities owed to Panama. The United States is also withholding income taxes paid by Panama Canal employees, as well as the revenues received for the right to use the national flag in the international merchant marine.

Another violation committed by the United States is the order it gave to U.S. companies operating in Panama to suspend the payment of taxes to the Panamanian Government. The money could amount to some $400 million.

For the Panamanian people and government, this series of sanctions and economic measures has meant a deterioration of the national economy, a decrease in the labor force, and a 10-percent decline in industrial activity after a 10-percent growth in 1987. Trade is barely keeping its head above water while public social services are adversely affected by delays and paralysis.

Ambassador in Costa Rica on 'Subversive' Actions

PA0309214189 Panama City CRITICA in Spanish 2 Sep 89 pp 1, 17

[Text of note to Costa Rican Foreign Minister Rodrigo Madrigal Nieto from Panamanian Ambassador to Costa Rica Dario Arosemena dated San Jose, 30 August]

[Text] Mister Minister:

I have the honor of addressing Your Excellency to inform you that I have received from the Panamanian Attorney General's Office a detailed report from the Prosecutor's Office of the Third District Court in David [Chiriqui Province] on the arrest of citizens Florentino Mendoza Morales, Diodo Cortes Cubilla, and Mario Davila, alias "The Nicaraguan." These individuals have been charged with participating in a terrorist and mercenary group intent on carrying out actions against the sovereingty of the Panamanian State and its legally established government.

As you can see, Mr Minister, the report outlines plans to attack and destroy military garrisons of the Panama Defense Forces in Paso Canoa, Limones, Progreso, and Puerto Armuelles, as well as blowing up bridges, staging bank holdups against the National Bank, Caja de Ahorros, and other establishments to obtain funds to purchase military equipment and finance the expenses of deployment and food for personnel recruited to continue subversive actions against the Republic of Panama.

Valuable information has been gathered that I am sure will be of great help to your illustrious government to arrest the individuals who have been using the territory of a brother nation as a center for transgressions and violations against a friendly country.

The detainees have broadly confessed the existence of a subversive group and have stated that they were called to participate in it by Robledo Miranda, who is currently in

Costa Rica as a refugee in the Achiote Camp. They said that meetings to coordinate seditious actions in Panama are being held in a place known as "El Refugio" in Ciudad Neilly, as well as in "Refugio de Achiote," located near San Isidro del General. They said that Nicaraguans, Costa Ricans, and Panamanians have been recruited in those places from where they would be deployed to Punta Burica and transferred to Panamanian territory on a vessel to be acquired by Robledo Miranda that would depart from Puerto Jimenez. During interrogation, the detainees confessed that part of the recruited personnel are being trained at a farm owned by a deported man, "the German," located in the bordering community of San Bartolo.

The personnel are trained and directed by Miguel; Eduardo Pozo, alias "the Ecuadorean;" and another man called David, who have a large number of M-16's and explosive material.

Mr Minister, it is very important to stress again the disinformation and calls to subversion constantly aired by Radio Impacto, a radio station installed in San Jose. According to those implicated, this station is installing a repeater station in San Isidro del General to have wider coverage of Panamanian territory. This, Mr minister, is coordinated by well-known terrorist and fugitive of Panamanian justice Mayin Omaira Correa.

In receiving the evidence that involves and implicates these individuals, the Panamanian Attorney General's Office has issued the necessary instructions to lead to the arrest of Miguel Eduardo Pozo, alias "the Ecuadorean;" "Colonel" Robledo Miranda; Ramon Aizpurua; Germelin Suira Jarquin, alias "Yin;" and Pedro Chavarria as instigators and participants in this movement.

Mr Minister, based on the facts we have mentioned, we respectfully and urgently request that your good offices contact the pertinent authorities so that they will investigate actions that are taking place in Costa Rican territory and carry out the necessary actions to prevent the use of this land of liberty and peace, the homeland of a Nobel Peace laureate, to organize harassment actions against our government and our country.

I avail myself of this opportunity to cite the words expressed by Costa Rican President Oscar Arias Sanchez, Nobel Peace Prize winner, who told me in his residence that he would never permit the use of this country to attack the sovereignty and integrity of a brother country.

Mr Minister, we reiterate our concern and ask you to adopt the urgent measures that the situation requires.

Enclosed is a copy of the documents this office has received concerning this matter.

Sincerely,
Dario Arosemena Gonzalez, ambassador

Rodriguez Asked To Release Military Men

PA0609022889 Panama City LA ESTRELLA DE PANAMA in Spanish 3 Sep 89 p 1

[Letter to Provisional President Francisco Rodriguez from the Committee for the Release of the Military Personnel Arrested 16 March 1988, dated 3 September]

[Text] His Excellency, Engineer Francisco Rodriguez, president of the Republic of Panama, Panama City

Your Excellency:

We, the wives, parents, and children of the arrested military personnel, echo your words. Considering the principle to be exercised in your government platform —"to build a new democracy respectful of human dignity in all its aspects, oriented to establish the bases of a society in which everyone will have access to the welfare to which they are entitled"—we appeal to your deep human sensitivity to request the "IMMEDIATE RELEASE" of our relatives for the following reasons:

1. The military arrested illegally have complied with Law 20, Article 49, which states to the letter: "The commander in chief and chiefs of the various General Staff commands, regional chiefs, zone chiefs, and the chiefs of detachments or platoons can impose, without previous trial, penalties of arrests on their subordinates to contain an insubordination, a revolt, or a lack of discipline. The minimum penalty will be 1 day and the maximum 1 year, according to the gravity of the fault."

We believe the fundamental problem for the administration of justice in this specific case is the inveterate practice of the Government and Justice Ministry to deprive citizens of their "LIBERTY" without any constitutional or legal basis. On the contrary, there is sufficient ground to demonstrate that they were arrested arbitrarily. There is evidence that the action carried out on 16 March 1988 was typically "military," and there is no proof of any connection to the alleged illegality contained in the "voluminous brief" in the hands of the attorney general, which is to be used to try our relatives.

We insist once again on the "illegality of their arrest." According to the proceedings carried out by the "lawyer imposed" in this case, he has asked the attorney general for their "IMMEDIATE RELEASE," because he has not found any elements to merit their arrest.

Mr President, we resort to you to ask that you intercede with the appropriate persons, because our relatives have suffered "a cruel and inhuman punishment" and we fear for their lives, especially because of the constant threats they have received and the "physical and mental deterioration" of each one of them.

We ask God to enlighten you so that "the release of these arrested military men" will be one of the first acts of justice and liberty in the reconciliation of this new Republic.

Hoping to obtain a positive response to our desperate plea, we remain yours truly, Committee for the Release of the Military Personnel Arrested on 16 March 1988 Ana E. S. de Gonzalez, 8-129-524; Luis Antonio Samudio A., 4-128-1649; Edna de Quesada, 8-223-734; Nisla Aizpurua de Valdonedo, 4-89-618; Maria Luisa de Castillo, 2-66-5; Mayra de Benitez, 1-12-482; Vanessa B. de Macea, 8-396-493; Olga de Famiglietti, 8-63-808; Kenia de Soto, 6-41-1282; Rita de Fundora, 4-102-1980; Isabel Diaz de Falcon; Luisa de Guerra, 9-105-1724; Mery de Montenegro, 4-115-637; Mrs Gongora; Gloria de Ramos.

Further Reportage on Current Political Situation

Escobar on Dialogue Resumption

PA0309200889 Panama City Telemetro Television in Spanish 2300 GMT 1 Sep 89

[Interview with Government Dialogue Representative Romulo Escobar Bethancourt by unidentified reporter in Panama City on 1 September—recorded]

[Text] [Escobar] In accordance with the resolution issued by the government, there will be a first 6-month period during which the government will assess conditions to call for new elections as soon as possible.

Conditions to hold new elections will basically depend on the end of the economic and military aggression. The new government has the intention of calling for new elections as soon as possible, but based on those conditions.

[Reporter] Do you think it will be possible to resume the dialogue?

[Escobar] Yesterday, during his statements at the Presidency, the first thing the new president did was to call on the opposition to join the national conciliation process. That is the government's policy, and that will be the new government's policy as well.

Opposition Rejects Dialogue

PA0609002389 Hamburg DPA in Spanish 2321 GMT 5 Sep 89

[Text] Panama City, 5 Sep (DPA)—General Manuel Antonio Noriega today accused the Panamanian opposition of maintaining the attitude of "waiting for the United States to serve the dish" of power, instead of taking advantage of the opportunity that the Francisco Rodriguez government is giving it to establish a dialogue among Panamanians.

The opposition has flatly rejected a government proposal to form part of a legislative commission that would have parliamentary functions.

During an interview held in the Presidential Palace following a meeting with President Rodriguez and seven Vietnam War veterans visiting Panama, Noriega said that Panama's foreign relations following the appointment of the new provisional Panamanian government are "almost normal."

The general said: "Whenever there is a political situation like this, the reactions from nations can be normal or "the product" of pressure from a big power. Noriega explained that what is important for the Panamanians is peace, development, and planning in order to build a new Republic that will respect Panama's Latin American brothers but that will also demand respect for the sovereign people of Panama, he said.

Noriega said that the Panamanian Government is making efforts to establish its plans for development and survival as a nation, and announced that there will be "a struggle against hunger and underdevelopment." The general admitted that it will be difficult to achieve these objectives because of the U.S. aggression. He said, however, that "the Panamanians are fighters and survivors."

Noriega characterized the presence of the veterans in Panama as brave. He said that these people have fought for the U.S. flag and really know what war is, and for this reason they can judge if the Panamanians represent a war threat to the North Americans, "as the United States wants to believe."

The general said that when the veterans were about to leave for Panama they were cautioned in the United States that they would be restrained as soon as they landed at the airport here, but they "have found out that this is no New York where blacks are treated like animals."

Comment on Legislation Commission

PA0409164289 Panama City CRITICA in Spanish 4 Sep 89 p 3

[From "Today in the World" column by Luis Manuel Martinez]

[Text] The National Legislation Commission will be made up of 15 former legislators, 11 representatives of the people's power [corregimiento representatives], and 15 notables, among them the leaders of the parties forming COLINA [National Liberation Coalition]. Important names are already being mentioned to be members of the commission: Romulo Escobar Bethancourt, Nander Pitty Velasquez, Mario Rognoni, Oyden Ortega, and Marcelino Jaen.

Commerce Minister on Foreign Trade

PA0509000489 Panama City Domestic Service in Spanish 1645 GMT 4 Sep 89

[Report on statement by Commerce and Industries Minister Elmo Martinez Blanco for the National Information System after taking oath of office on 4 September in Panama City; passages within quotation marks recorded]

[Text] "Initially, Panama plans to maintain relations and negotiate agreements with various countries, particularly with countries with which it did not previously

have such agreements, such as the socialist countries. We are not depending exclusively on the socialist countries, we are simply broadening our commercial relations and following the course of our destiny. In keeping with its geographic position, Panama is extending an economic invitation to the entire world; we must not limit our commercial ties to a single geographic area; we must extend them to the entire world.

"I believe that it is healthy for Panama to broaden its market and increase its suppliers, and this is what Panama is doing. We will find internal solutions and answers to many of our needs. We will work at it; it is a matter of effort, honesty, and cooperation among all the ministry's employees."

Considering the problems that may emerge because of some governments' compliance with the U.S. Government's request that they break relations with Panama, Martinez Blanco said:

"Panama's concern does not lie in whether one country or another breaks relations. Panama is not breaking relations with anyone. There are countries and governments that have considered such action necessary, but I believe that it is up to Panama to continue with the plans and guidelines set forth some time ago.

"The Commerce and Industries Ministry will use its assets to implement old and new plans, which must be translated and transformed into concrete results for the Panamanian nation."

In response to a question regarding the new government and the highly debated free zone in Chiriqui Province, Martinez Blanco said:

"I cannot answer your question because the free zone had already been decided. If that were the case it would be up to the President to deal with it, but I do not believe that is the case."

Government Minister Comments

PA0409193189 Panama City Circuito RPC Television in Spanish 1743 GMT 4 Sep 89

[News conference by Olmedo Miranda, new government and justice minister, in Panama City on 4 September—recorded]

[Text] [Reporter] Anything new on the political prisoners?
[Miranda] In Panama, the branches of power have their functions outlined very well. I could not refer to the political prisoners, in the first place, because I just assumed my post. In addition, I am not up to date on the progress of the investigations. However, I have read in the press that they are legally under arrest, and the Supreme Court of Justice has ratified this.

[Reporter] Are you contemplating reopening the media that remains closed?
[Miranda] About the media, I also want to say I am not aware of the state of the investigations that are being carried out by the corresponding officials. I do not want to give an opinion or meddle into those problems that do not directly concern the ministry.

[Reporter] What plans does the Ministry of Government and Justice have?
[Miranda] I am planning to work, and implement—as I said earlier—the plan outlined by the president of the Republic.

Rodriguez Makes More Appointments

PA0509011789 Panama City Televisora Nacional in Spanish 2315 GMT 4 Sep 89

[Text] President Francisco Rodriguez has disclosed the names of the people who have been appointed to the posts of directors, deputy directors, managers, and assistant managers of autonomous institutions, as well as the deputy ministers. The names of the new officials who will be sworn in at their respectives institutions are:

Manager of the Savings Bank	Jaime Simons
General Manager of the National Bank	Rafael Arosemena
General Director of the National Lottery	Marta Amado
Director of the Social Security Institute	Francisco Sanchez Cardenas
Director of Civil Aeronautics	Pascual Gonzalez
General Manager of the President Remon Racetracks	Antonio Cardona Mas
Director of Panamanian Institute for Special Education, IPHE	Elvia Miranda de Ortiz
Director of the National Port Authority	Virgilio Mirones
Director of Institute of Renewable Natural Resources, INRENARE	Ligia Castro
Director of Banking Commission	Mario de Diego
Director of National Institute of Telecommunications, INTEL	Luis Blanco
Director of Institute of Hydraulic Resources and Electrification, IRHE	Benjamin Colamarco
Manager of the National Mortgage Bank	Julio Shaik
Director of Human Resources Education and Training Institute, IFARHU	Aminta Guillen
Director of Agricultural and Livestock Marketing Institute, IMA	Rafael Castrellon
Director of Genreal Directorate for Community Development, DIGEDECOM	Rafael Moreno Saavedra
Manager of Air Panama Airlines	Adsinar Cajar General
Manager of Bayano Cement Plant	Alberto Luis Tunon
Manager of the National Casinos	Benjamin Jayes

The deputy directors and assistant managers who were appointed are:

IRHE	Ovigildo Herrera
Social Security Institute	Eduardo Reyes
INTEL	Pedro Arosemena

The deputy ministers are:

Public Works	Jose Ramon Jaramillo
Education	Maritza Herrera
Health	Orlando Allen
Agricultural Development	Rodrigo Botello
Planning and Economic Policy	Jorge Panay
Presidency	Roberto Diaz
Housing	Juvenal Hernandez

Mayors, Governors Appointed

PA0509184689 Panama City CRITICA in Spanish 5 Sep 89 pp 1, 12

[Text] The governors of all the provinces and the mayors of the districts of the republic were appointed a few minutes ago through decrees issued by the Presidential Palace and duly signed by President Francisco Rodriguez and Government Minister Olmedo Miranda.

The following individuals were appointed governors:

Bocas del Toro	Gabriel Monzalve
Cocle	Climaco Quijada
Colon	David Heres
Chiriqui	Manuel Torres
Darien	Freslin Diaz
Panama	Doris Vargas de Rosas
Herrera	Fabio Perez
Los Santos	Eustiquio Broce
Veraguas	Ernesto Martinez

The mayors of the country's main districts are:

Panama City	Gustavo Melgar (confirmed in his post)
San Miguelito	Felipe Cano
Colon	Albertina Gil
David	Antonio Navarro
Santiago	Justo Fidel Palacio
Las Tablas	Oda de Tejada
Chitre	Juan Enrique Perez
Penonome	Nando Oberto
Bocas del Toro	Ruben Navarro
Chorrera	Nora de Escala
Arraijan	Alberto De Santis (confirmed in his post)
Chepo	Ricaurte Rodriguez
Changuinola	Leopoldo Franco
Chiriqui Grande	Sandoval Braulio Tibido
Anton	Joaquin Espinoza
Aguadulce	Ariel Conte
La Pintada	Abdiel Quiroz
Ola	Luzmila Pena
Nata	Hector Macias
Chagres	Eugenio Delgado
Santa Isabel	Argenida Arrocha
Portobelo	Filomena Ramos
Donoso	Teofilo Miler
Alanje	Eric Morales
Baru	Carlos Smith
Boqueron	Roger Stamca
Boquete	Martin Gonzalez
Bugaba	Juan Manuel Gomez
Dolega	Luis Angel Pitti
Gualaca	Oscar Ortega
Renacimiento	Aurelio Serracin
San Lorenzo	Malasqui Jovane
San Felix	Tito Atencio
Remedios	Juan Valerin
Tole	Olmedo Otero
Pinogana	Filimino Rosales
Chepigana	Jose Arroyo
Ocu	Santiago Espino
Santa Maria	Graciela Gonzalez
Las Minas	Imelda de Him
Los Pozos	Marquito Gomez
Pese	Pedro Alonso
Parita	Blanca Pena
Guarare	Climaco Molina
Macaracas	Tomas Isabel Castro
Pedasi	Manuel Jaen
Pocri	Roberto Aparicio
Tonosi	Ramiro Jaen
Capira	Isaura de Gonzalez
Chame	Jose del Carmen Gonzalez
San Carlos	Jose Andres Munoz
Balboa	Salvador Castillo
Sona	Jorge Castillo
Canazas	Irma Clavel Rodriguez
Las Palmas	Edwin Reyes
La Mesa	Marcelo Tristan
San Francisco	Irma Almengor
Calobre	Silvestra Garcia Robles
Santa Fe	Edilsa Perez
Atalaya	Josue Caceres
Rio de Jesus	Dimas Torres
Montijo	Victor Julio Batista
Los Santos	Roberto Cohen

These decrees become effective 4 September 1989.

Reaction to Diplomats' Withdrawal

PA0509142089 Bogota Radio Cadena Nacional in Spanish 1219 GMT 5 Sep 89

[Text] Jose Antonio Caballero, the RCN [Radio Cadena Nacional] special correspondent in Belgrade, has reported that Panamanian Vice President Carlos Ozores Typaldos is attending the Ninth Summit of the Nonaligned Movement. Vice President Ozores Typaldos told RCN that the temporary withdrawal of various ambassadors from Panama is a normal event that was

expected. He pointed out that the Panamanian regime will not adopt any sort of retaliation in the face of this action, because—he insisted—this is something the Panamanian Government was expecting.

As for the economic sanctions announced by the United States, he said: We are determined to resist as much as possible. Ozores added: If we have been able to put up with this for 2 years, the Panamanian people can continue to do so.

For the time being, there is no understanding between General Manuel Antonio Noriega's regime and the Panamanian opposition. However, some political parties have sent messages suggesting a dialogue, Vice President Ozores Typaldos said in Belgrade. Speaking to RCN, the Panamanian leader insisted that there is currently no direct communication with the opposition, thus ruling out the possibility that the opposition will participate in the administration of the state. That will be possible once the international misgivings over the situation are over, he said.

PALA Says Government 'Coup d'Etat'

PA0509190789 Panama City ACAN in Spanish 1746 GMT 5 Sep 89

[Text] Panama City, 5 Sep (ACAN-EFE)—Ramon Sieiro, secretary general of the Panama Labor Party (PALA, the second-largest party of the former administration) and General Manuel Antonio Noriega's brother-in-law today accused the new Panamanian Government of being the product of a "coup d'etat" which places it "outside of the Constitution."

Sieiro, the No 2 government candidate in the past elections, said that the cabinet appointed by Panamanian President Francisco Rodriguez, which took office yesterday, "is a de facto government" and that "legally speaking, it is the product of a coup d'etat."

"We start from the fact that this is a government that is outside of the Constitution. That is a reality nobody can hide. It is a de facto government in which the political parties have very little participation," Sieiro explained.

For the pro-government politician the only difference between the 1968 government—when late General Omar Torrijos reached power following a military coup—and the current one is that "the political parties were eliminated then and that is not the case now."

Panamanian Provisional President Francisco Rodriguez designated 10 ranking officials in the past 3 days, including ministers, directors, governors, and mayors nationwide. Virtually all appointees belong to the Democratic Revolutionary Party (PRD), the regime's principal force.

In contrast, very few posts have been given to PALA representatives, which only has 1 ministry in a cabinet of 12, that of Housing Minister Arturo Diez.

Sieiro said that the creation of the government "was carried out without major consultations with the political parties," despite the fact that, according to him, the PALA insisted on establishing a government of "national reconciliation," including opposition participation.

"This is primarily a single party government," Sieiro insisted, referring to the fact that most of the key administration posts are in the hands of the PRD, to which President Rodriguez belongs.

"What (strength) does Rodriguez have to be in the government?" Sieiro asked. He added that the conciliation of political forces has become "a myth" following the formation of Rodriguez' government.

Since the 7 May elections, which were later annulled, observers have stressed the growing strife between the PRD and PALA.

Both the PRD and PALA are part of the National Liberation Coalition (COLINA), which participated as the leading force of the regime in the 7 May elections. It was headed by businessman Carlos Duque, a close friend of Gen Noriega.

The pro-government politician affirmed that he has not received an invitation from the new government to form the "legislative commission" made up of 41 members, which will replace the Legislative Assembly dissolved on 1 September.

Sieiro's protest is added to that of Hildebrando Nicosia, president of the Arnulfista Authentic Panamenist Party (PPAA), an opposition minority splinter group, which was also displeased at not having been considered for participation in the new government.

In a communique published yesterday in a local newspaper, it warned that "it is impossible to achieve Panama's destiny through prepotence, arrogance, and general intransigence."

Labor Leader Gives 'Full Support'

PA0609013789 Panama City Televisora Nacional in Spanish 2345 GMT 5 Sep 89

[Text] After having made a series of statements to local and foreign reporters at noon today, Ramon Sieiro, secretary general of the Panama Labor Party [PALA], along with his party's CEN [National Executive Committee], were called to a meeting with Provisional President Francisco Rodriguez. After meeting with Rodriguez, Sieiro spoke with reporters about the conclusions reached at the meeting:

[Begin recording] [Sieiro] Today the PALA and its Political Commission met to analyze the government formed on 1 September. We came to the Presidential Palace this afternoon to offer the PALA's full support to President Francisco Rodriguez' government. Rodriguez reiterated that the PALA and all the opinion groups in

the country will participate in his government. He guaranteed that government employees who are PALA members will remain in their positions as long as they work with honesty, dedication, and effort. Therefore, this is my message to all the PALA members in the country: Remain calm. You must give Rodriguez' government time, and you must support him as the PALA's CEN and Political Commission have done.

[Reporter] What about political seats?

[Sieiro] I have explained to you that within this government, which is a government not chosen through popular election, political seats will be granted in accordance with the efforts that are made. All Panamanians will be able to participate in the government, regardless of their social class. The president also told us that he is considering individuals who are not members of the parties that formed the extinct COLINA [National Liberation Coalition].

[Reporter] Are you recanting your statement that this government is the result of a coup d'etat?

[Sieiro] I will not recant any statement I have made as long as that statement is accurate. Even during the OAS dialogue I felt that any government established—as I could see coming after the elections were annulled—would bear the label anyone wished to give it. You may wish to describe it as a de facto government, or the best political option available to the Panamanian people, or a coup d'etat, or—as Ecuadoran Foreign Minister Diego Cordovez described it—an extraconstitutional solution. Therefore, you can label the government anything you wish. The government exists, it is a reality. It is a Panamanian solution to a Panamanian problem.

[Reporter] Are you satisfied with the answers the president gave you today?

[Sieiro] Yes, of course. As a party we are satisfied. I believe the president's answers were very open, and I am willing to support his government as long as he invites PALA to form part of it or seeks out our opinions. [end recording]

Private Sector Critical

PA0609001189 Panama City Circuito RPC Television in Spanish 1730 GMT 5 Sep 89

[Text] The National Council of Private Enterprise [CONEP] has issued a communique on the establishment on 1 September of a new government headed by Francisco Rodriguez. CONEP criticizes the legality of that event and claims that the struggle for full democracy in this country is long and requires sacrifice.

The communique concludes by stating businessmen are convinced that representative democracy is the only formula that inspires any confidence in achieving the reconstruction and reconciliation of Panama.

ADOC Communique on Goals

PA0209011989 Panama City LA ESTRELLA DE PANAMA in Spanish 30 Aug 89 p A-7

[Communique issued by the Civic Democratic Opposition Alliance, ADOC, in Panama City on 28 August]

[Text] On the eve of 1 September—the date on which the Constitution states that there should be a transfer of power to those who were called upon by the Panamanian people to occupy the offices of president, vice president, legislator, corregimiento representative, and councilman on 7 May 1989, and in view of the huge wave of alarming and biased rumors spread by the military dictatorship with the exclusive and subordinate proposal of intensifying the repression, which it uses every day to trample and to disregard the people's sovereignty— the ADOC, legitimate representative of the large majority of the people, calls on the Panamanian people to remain calm, alert, and determined to impose, by peaceful means, its permanent vocation for democracy, justice, and freedom just as they have done up to now.

The ADOC, hereby, ratifies its commitment of unswervable loyalty to the political and historic mandate, which it received from the people on 7 May 1989 and it states that:

1. The union of political parties and civic movements that compose the ADOC, based on the most solid and altruistic patriotic feelings, has survived and will continue to survive all obstacles, traps, and seduction attempts made by the military regime. The permanence of our union, the longest and most unified organization in our Republic's history, is solid evidence of the unselfish intentions supporting our struggle.

2. The ADOC reiterates to the people its promise to preserve its unbreakable unity and its fighting spirit, with the same untarnished determination, for which it has been known. It assures the people that it will not slacken its effort to make the national aspirations for democracy, justice, and freedom prevail.

3. Our struggle for democracy does not end on 1 September, but it will be renewed and strengthened beginning on this date and it will not be diverted from its path leading to national redemption by any maneuver from the military dictatorship.

4. The fact that the military dictatorship will not transfer power—as it should—on 1 September, does not mean that the dictatorship has overcome the burden of the crisis, let alone that the country's problems have been resolved. On 2 September the nation will still face the same crisis and problems into which it has been plunged by the military dictatorship. The current state of affairs cannot be overcome with further repressive measures, which are the only kind of measures the regime can apply in its eagerness to perpetuate its illegitimate exercise of power.

5. The ADOC is, as it always has been, willing to seek democratization and national reconciliation at the table of patriotic negotiations, as long as new proposals are

made with a view to broaching the problems which, thus far, have blocked the crisis' solution, instead of solving them. However, those who believe that they can seduce us with offers of bureaucratic positions—regardless of how generous these offers may appear to be—are mistaken. The country needs democracy, freedom, and justice, and we will only support solutions aimed at reaffirming those values.

6. During the recent dialogue sponsored by the OAS, the regime's representatives never agreed to accept solutions that would entail the current Panama Defense Forces commander in chief's retirement and which, consequently, would require an authentic transfer of power. Hence, the dialogue's failure.

7. The growing international support that our cause is receiving clearly indicates that the democratic world understands the tragedy Panama is experiencing. That understanding will translate into aid as soon as democratic order is restored in Panama.

Compatriots: There is no room for pessimism and hopelessness. We have never been closer to victory without revanchism and with the reconciliation that we all want. Panama's future will be democratic, fair, and free. That is what the people want and that is what will be.

Panama, 28 August 1989
[Signed] Guillermo Endara Galimany, president-elect
Ricardo Arias Calderon, 1st vice president-elect
Guillermo Ford, 2d vice president-elect

PPAA Reaffirms Independent Opposition Position

PA0509215689 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Sep 89 p A-5

[Declaration issued by Arnulfista Authentic Panamenist Party (PPAA) and signed by Hildebrando Nicosia, PPAA president and legal representative, in Panama City on 3 September]

[Text] **PPAA** Leader-Founder Dr Arnulfo Arias Madrid 3 September 1989 **DECLARATION**

The **PPAA** National Directorate firmly restates that its party's position, as expressed on 11 December 1988, is of **INDEPENDENT OPPOSITION** without internal or external submission or hesitation.

We presented a patriotic plan that was widely reported and disclosed. Our plan promoted and outlined serious discussions to attain true **NATIONAL UNITY** with the participation of all Panamanian political groups, including the other three national parties that ignored with Olympian contempt our altruistic and unselfish efforts. The presidents of the nine national political parties [that did participate in the discussion] proposed a tripartite National Reconstruction government, but it was not accepted.

TODAY more than **EVER**, the prophetic vision of **LIGHT, FRATERNITY, PEACE, AND ABUNDANCE** that was given by our leader and founder **DR ARNULFO ARIAS MADRID**, who was the nation's president three times, is indispensable for guiding the country toward the path of harmony, concord, understanding, work, and seriousness.

We announce to the Panamanian citizens that we continue to search for a **GREAT COALITION OF CONSCIENCES, WITHOUT SECTARISM**, to propitiate **UNITY AMONG ALL PANAMANIANS.**

The Panamanian poor and have-nots, who are the great majority of the national electorate, suffer the negative effects of an unjust foreign aggression that cannot be treacherously justified.

The path to the genuine democratization of Panama will **ONLY** be attained through the implementation of full public freedoms, but also demands that the civilian and military officials, as well as the opposition sectors, show good will and patriotism in an unselfish manner. **IT IS IMPOSSIBLE** to face Panama's future **WITH ARROGANCE, DOMINATION, AND INTRANSIGENCE.**

ADEQUATE SOLUTIONS TO THE NATIONAL CRISIS WILL NOT BE FOUND WITH CERTAIN DECISIONS THAT WERE MADE RECENTLY WITHOUT CONSULTATION.

During the past political campaign, the **PPAA NICOSIA-DIAZ-PONCE** presidential slate presented in a clear and precise manner how it proposed to make the necessary changes with policies geared toward the low-income sectors to ensure that there would be a **BETTER PANAMA** for all Panamanians. Furthermore, in a timely manner we invited all the other presidential candidates to an impartial public debate to enable people to judge each candidate on his own merits; however, the other candidates refused the objective presentation.

The abuses and excesses that took place in the May elections by one side and the other have led us to a provisional government because the elections that nobody truly won had to be annulled.

The path to well-being, in the PPAA's judgement, is the only path that can ensure that our nationality and sovereign integrity will be strengthened. Let us work together toward goals of progress and prosperity without demagogic lies, violent revanchisms, odious discriminations, or unwholesome favoritisms.

The fatherland belongs to **ALL OF US** and at this time of national crisis it requires the support of all of its sons without **EXCLUSIONS.**

The dialogue among all Panamanians, **FREE OF HYPOCRISY** and free of pre-established conditions, will continue because our **COMMON** goal in the immediate future is true **RECONCILIATION AND NATIONAL UNDERSTANDING** rather than **PARTISAN** solutions that divide us.

FOR A BETTER PANAMA

[Signed] Hildebrando A. Nicosia Perez

President and Legal Representative of the Arnulfista Authentic Panamenist Party

University Students Stage Demonstration 4 Sep

PA0609025589 Panama City Televisora Nacional in Spanish 2300 GMT 4 Sep 89

[Text] University students held a peaceful demonstration this afternoon without interrupting the traffic in front of the University of Panama. The students demanded the release of fellow students arrested during student demonstrations. The protest was carried out by approximately 50 pharmacy and biology students who gathered along the sidewalk and carried signs stating their demands.

The protest was held without incident, and the students peacefully and voluntarily dispersed minutes later. The police forces did not intervene.

Attorney General Links 'Terrorist' Groups

PA0209031089 Panama City MATUTINO in Spanish 31 Aug 89 p 18

[By Roberto R. Rodriguez]

[Text] Panamanian Attorney General Carlos Villalaz confirmed yesterday that the terrorist plan uncovered in Chiriqui Province was linked to a group of student activists who were arrested in Betania, a Panama City residential neighborhood.

In a statement to local newspaper reporters, Villalaz confirmed that the plan was to create chaos, violence, and unrest.

Based on confessions, the Attorney General added that the group planned to commit acts of sabotage, blow-up bridges, rob David and Panama City banks, and attack military installations.

The terrorists had planned to obtain money to finance their operations by robbing banks.

Military intelligence in Chiriqui apprehended four Panamanians who afterward confessed to taking part in a terrorist plan backed by the Christian Democratic Party [PDC] led by Ricardo Arias Calderon.

Those under arrest are Florentino Mendoza, Biodo Cortez, Mario Davila, Esperanza Pineda, and Italo Delgado who followed the orders of Ramon Aizpurua, Pedro Chavarria, and Robledo Miranda, identified as leaders, and who had contracted "Nicaraguan contras."

According to police sources, the four detained in Panama City are Panama University political science students who belong to a PDC cell called "Avanzada," who had previously set official vehicles on fire and promoted street disturbances.

News Director for RPC Television Appointed

PA0309021189 Panama City LA ESTRELLA DE PANAMA in Spanish 2 Sep 89 p 1

[Text] Martin Alberto Paz S., a well-known lawyer and journalist with a great record, was appointed new general director of the RPC Television Channel 4 News Department, on 1 September.

Paz replaces well-known radio-journalist Rey Barria, who had been appointed to that position a few weeks ago.

Argentina

Menem Addresses Businessmen on Economic Moves

PY0209184489 Buenos Aires Domestic Service in Spanish 0131 GMT 2 Sep 89

[Speech by President Carlos Menem during a dinner hosted by the Argentine Industrial Union to mark Industry Day, at the Sheraton Hotel in Buenos Aires—live]

[Excerpts] National and provincial authorities, ministers, governors, military authorities, businessmen, leaders of different production groups, ambassadors, ladies and gentlemen, Argentine brothers and sisters: The president of Argentina is here tonight to share with you the government's strategy. He has come to guarantee the political, social, economic, and juridical stability of the country. He has come to offer clear, transparent, honest, and firm rules of the game. I, Carlos Saul Menem, president by the will and election of thousands of Argentines, have come to summon you. I have come to propose to you a new alliance between capital, work, and the people. [passage omitted]

A productive revolution and a popular market economy will come to be or Argentina will not survive. This is not my choice. Facts bear this out. Our terminal crisis demands a change. The well-being of all Argentines demands an end to this situation.

We must end monopolies and irrational subsidies. We must end bureaucracy and unproductive state expenses, protectionism and inefficiency. We must end state intervention and state consent to private inefficiency. We must end tax evasion and antidevelopment pressures. We must end the socialization of losses and privatization of profits, the culture of speculation and rent. We must end minimal industrial activity and maximum financial activity. We must bring an end to rich businessmen and poor companies. In all, let us put an end to the privilege of the few to the detriment of the rest.

The new industry cannot continue under the fatal system designed by the monetary technocrats who deified interest rates and unproductive profits. [applause]

We do not believe in such myths. The solution is in expanding the domestic market and in reducing costs. This will fuel greater demand for lower prices to benefit consumers.

We also consider industrial exports essential to our economic development program. World experience shows that there cannot be growth without an active foreign trade to bring in the hard currency we need. Industry in Argentina must be planned and structured to successfully compete in the international market.

This will require a genuine process of general economic conversion, particularly an industrial conversion. We will have to plan a transition period that cannot be either too brief or traumatic, but firm and constant. This process will not be easy; change is difficult, and requires work. [passage omitted]

I want to announce that within our tax reform framework we will eliminate taxes on capital and assets. We will promote the use of existing assets by encouraging the full use of our established productive capacity. New investments will receive preferential fiscal treatment during their initial years, thus favoring national and foreign productive investments.

The prefinancing of some exports—which had been suspended to prevent activities harmful to our stabilization efforts—will be resumed on a short-term basis. We must make sure, however, that this financing is used in the production of exportable goods and not in internal or external financial circuits.

The marketing of capital will be put toward productive investments. The fiscal balance will no longer require financing. These resources will therefore be available to meet the credit needs of companies, and shares will no longer be nominal.

We must also mention the Argentine tax system, a key element in any industrial policy. We believe that the rationalization of state activities demands the gradual—and eventually total—elimination of export tax withholdings and simplifications and reductions in the import tax system.

Therefore, regarding industrial export rights, we have decided—without affecting the fiscal balance—to reduce export tax withholdings by 6 points this year and by 2 points per month next year until they are completely eliminated.

Some sectors will benefit from a slightly greater reduction. This means that export tax withholdings will be eliminated in Argentina in both the farming and industrial sectors before mid-1990. [applause]

In the past 40 years of economic history all international experiences in sustained growth began with tax reform. A rational tax structure benefits the whole economic system and allows our agents to participate in the opportunities and risks offered in the international market.

We think that only those few who fear their own inefficiency or don't have the business spirit will oppose this reform program. This reform is aimed at selling more and making better purchases. The reform must be seen as a two-way street. We will try to obtain good business partners and be good business partners, but not like in the past when we were the good partners and others were not.

This reform also includes an efficient system to prevent dumping and subsidies, which will protect our productive sector from disloyal foreign competitors. [passage omitted]

Congress Passes Economic Emergency Bill

PY0409180889 Buenos Aires BUENOS AIRES HERALD in English 2 Sep 89 p 5

[Text] (NA-DYN) The Lower House sanctioned the economic emergency bill early yesterday morning, thus virtually turning it into law.

The Senate had earlier reinstated some articles which had been previously amended or repealed by the Lower House. The only changes introduced by the latter house of congress which survived the Senate's second reading include the repeal of article 58 declaring a virtual tax whitewash and the transfer to the general revenue department of 40 percent of pension funds.

The Senate had reinstated the articles which call for an end to the system linking wages earned by legislators and judges to that of their employees and the possibility of laying off high-ranking civil servants.

The Radicals, who wanted to reintroduce these amendments in the Lower House, would have needed a two-thirds majority to do so.

The session began at 2:20 am yesterday with a heated argument between Speaker Alberto Pierri and Lower House minority leader Jose Luis Manzano over the balance of forces in the Lower House.

"Son of a thousand bitches we signed this agreement on June 6 and now you can't go back to it," Pierri said.

Finally, Radicals and Peronists reached an agreement on how to proceed with the session, although Manzano did not attend the meeting.

Ten minutes before 4:00 am, the Peronists won by 84 to 79 the vote on whether to change the Senate's amendments, thus passing the bill as approved by the Upper House.

Soviet Diplomat Lectures on Economic Relations

PY0409173289 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1130 GMT 3 Sep 89

[Text] Buenos Aires, 3 Sep (NA)—An important Soviet diplomat has noted that the Soviet purchase of agricultural and industrial products from Argentina for $500 million and the installation of a binational enterprise in Moscow will help strengthen bilateral commercial relations.

Valery Orlov, deputy chief of the Soviet Commercial Bureau in Buenos Aires, announced that a factory for manufacturing an apparatus for athletes to train on will go into operation on 1 October in Moscow. The factory was built by an enterprise jointly owned by the firms Proemex from Argentina and Sofintersport from the Soviet Union.

The diplomat also announced that negotiations are under way for the installation in Russia of an Argentine-Soviet consortium to manufacture tractors.

Orlov also said that the Soviet Union will cooperate with the project "to boost the power" of the Salto Grande hydroelectric plant. He revealed that the technical plans are ready and that only the economic conditions remain to be negotiated with Argentina and Uruguay.

The Soviet diplomat made those announcements during a lecture yesterday at the headquarters of the Argentine-Soviet Cultural Relations Society (SARCO).

He said in that lecture that from the Soviet side, the objective is "to balance" the USSR bilateral trade deficit resulting from "$900 million in imports against $80-90 million in exports."

Orlov reasserted that this year the Soviet Union will buy a total of $500 million worth of soybeans, soybean meal, corn, vegetable oil, seamless tubes, wool, and processed and semiprocessed leather.

He explained that joint consortiums can be established in his country under the Gorbachev government's new economic policy, and he added that 300 such consortiums with West European, socialist, and Latin American countries are already in operation. Argentina will now be added to that list.

Commercial Agreement Signed With Canada

PY0409165089 Buenos Aires TELAM in Spanish 1241 GMT 3 Sep 89

[Text] Bahia Blanca, 3 Sep (TELAM)—Officials of the Argentine-Canadian Chamber of Commerce and of the Southern Chamber of Commerce [Camara de Comercio del Sur] have signed an agreement to promote an increasing bilateral trade between the two countries.

After those officials signed the agreement, Roberto Asseo de Choch, manager of the Argentine-Canadian Chamber of Commerce, stated that Canada "is a country very similar" to Argentina, "both in its geography and in its inhabitants." He pointed out that the two countries' inhabitants "are fruits of immigration."

Regarding trade, he said: "The Canadians are interested in all types of products." He also stressed the Canadian willingness to intensify bilateral trade with Argentina.

Asked about the current balance of payments between the two countries, Asseo de Choch stated that over the past 7 years it has been "favorable" to Argentina, "ever since Canada decided to stop participating in atomic energy production."

According to him, Argentina exported to Canada goods worth $96 million in 1987 and $123 million in 1988. This year, he added, "we are already surpassing $150 million."

Carlos Arecco, head of the Southern Chamber of Commerce, stated that the agreement "contains important prospects."

Justicialist Eduardo Vaca Elected Senator

PY0509132089 Buenos Aires Domestic Service in Spanish 0200 GMT 5 Sep 89

[Excerpt] Eduardo Vaca, a member of the Justicialist Party, has been elected national senator for Buenos Aires for a 9-year term.

During the runoff election, the Peronist [word indistinct] was supported by 8 UCD [Democratic Centrist Union] electors. [passage omitted]

Former Mint President Denies Counterfeit Stories

PY0309235889 Buenos Aires BUENOS AIRES HERALD in English 2 Sep 89 p 5

[Text] (DYN)—Former National Mint president Emilio Fischer yesterday revealed that "there is not a single counterfeit bank note in circulation" in Argentina and that the alleged forgery of bank notes and provincial bonds which made front page news a month ago "was pure fantasy."

The former official of the Alfonsin administration underlined that with respect to statements made last month by Vice-President Eduardo Duhalde that "there is not a single claim currently being probed in court" throughout the national territory.

Fischer pointed out that the only three cases under investigation were denounced during his term in office and involve 38 bonds which should have been destroyed due to misprints, four passports found during a drug raid, and forged bonds belonging to the provinces of Salta and Tucuman.

The first case is lodged in the court of Judge Miguel del Castillo and involves between 50,000 and 100,000 dollars, the second is being probed by Moron Judge Gerardo Larrambebere, and the third has been taken over by Lomas de Zamora Judge Julio Piaggio, who arrested a "middle-ranking" mint official accused of forging "something like a thousand dollars."

Fischer underlined that "it would be impossible to duplicate austral bank notes. You would need the complicity of the Central Bank, which supplied the paper, of the company that provides the ink and of all the employees at the National Mint.

"If any bank notes were forged in the mint, they would have to appear now, when the old 10,000 and 50,000 bank notes are replaced by the new ones," he pointed out.

According to Fischer, the only counterfeit australs printed in Central Bank money would have had to be forged outside the mint using paper robbed at the end of 1986 or beginning of 1987 from the deposits that the Central Bank has in the National Mint.

To wrap up the issue, the former government official said he was appalled at "the speed with which lies can travel and the lack of interest from politicians and the media to deny them."

Federal Police on Alert for Colombian Cocaine

PY0509141289 Madrid EFE in Spanish 1311 GMT 5 Sep 89

[Text] Buenos Aires, 5 Sep (EFE)—Argentine Social Safety Director Rafael Alonso today stated that the Federal Police are on alert "in view of the possibility that the Colombian drug cartels may try to send cocaine through Argentina and Bolivia."

Alonso emphasized that Argentine Interior Minister Eduardo Bauza has issued specific instructions to subject Colombians entering Argentina to meticulous scrutiny.

Alonso added that "executive decisions have been made in a very short time because we are dealing with criminal organizations that are larger than entire states."

He concluded by saying: "As part of the international community we must prevent Argentina from becoming a channel for the drug, because it harms friendly countries."

Further on Embalse Nuclear Plant Operations

PY0409235989 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1955 GMT 4 Sep 89

[Text] Buenos Aires, 4 Sep (NA)—The Embalse Nuclear Plant in Cordoba today began to integrate all its electrical energy to the national power system. The Luis Piedrabuena Thermoelectric Plant of Bahia Blanca is not yet operating and its date for resuming operations is still unknown.

The Embalse Nuclear Plant resumed operations last weekend after a technical checkup that began 29 July.

The Piedrabuena plant operated at full strength for only 30 minutes last week when a new technical problem put that plant out of service.

The various origins of the components to Machine 1 of the Piedrabuena plant have made repairs very difficult. The deadline for resuming operations at this plant will therefore not be fulfilled.

The original deadline for resuming operations at this plant was 10 September, but due to new technical problems it will take more time for the plant to produce electricity for the national power system.

Brazil

Debt Negotiators To Depart for U.S. 6 Sep

PY0609030389 Brasilia Domestic Service in Portuguese 2200 GMT 5 Sep 89

[Text] Another phase in Brazilian foreign debt negotiations will begin on 8 September in the United States. Brazilian foreign debt negotiators Sergio Amaral and Arnin Lore will meet with the counciling committee of creditor banks in New York on 8 September, where they will propose several alternatives for obtaining financing for Brazil. Financial needs will be one of the subjects that will be discussed during the meeting.

Sergio Amaral, Finance Ministry secretary for international affairs, did not want to reveal the alternatives that will be proposed at the meeting, which he believes will not be conclusive. Amaral admitted that some of the ideas are just conventional solutions. He said he thinks that the Brazilian Government will make some progress in the negotiations with the creditor banks. He admitted, however, that things would be easier if there were a guarantee on the disbursement of funds by official organizations.

As for Japanese Government funds for Brazilian projects, Amaral said that he does not think they will be disbursed completely if Brazil does not first reach an agreement with the IMF. Amaral nonetheless expects that some of these funds will be disbursed before the end of the year.

Sergio Amaral and Arnin Lore will leave for the United States tomorrow.

Sarney Promotes Hepatitis Vaccination Program

PY0209001789 Brasilia Domestic Service in Portuguese 2200 GMT 1 Sep 89

[Text] President Jose Sarney today said that for the first time a mass vaccination campaign against type B hepatitis is being conducted in the Amazonas. In his Friday radio program, Sarney explained that the hepatitis caused by the delta virus is responsible for black fever, one of the worst forms of virosis in the Amazon region.

According to President Sarney, between 10 and 20 percent of the population along the Vale do Puru and the Vale do Jarua Rivers is affected by type B hepatitis and by black fever.

[Begin Sarney recording] In the presence of the WHO representative we have begun a vaccination campaign that will extend to 12 municipalities and include nearly 100,000 people. As of now, all children born in the West Amazon municipalities and in Manaus will be vaccinated against these diseases. In its third stage, the campaign will be extended to all municipalities in Acre, Rondonia, Para, Amazonas, and Roraima states. [end recording]

President Sarney also said that the program seeks to make the country self-sufficient in the production of vaccines against type B hepatitis with an investment of $200 million.

Abreu Sodre on Debtors Summit, Soccer Incident

PY0509011689 Brasilia Domestic Service in Portuguese 2200 GMT 4 Sep 89

[Text] Brazilian Foreign Minister Abreu Sodre has reported that a ministerial meeting will be held in Lima on 9 October to prepare for a summit of debtor countries presidents that is scheduled to begin on 11 October. Abreu said the ministers will seek primarily to reconcile positions regarding the need to consider social interests, not merely banking interests, in paying the foreign debt.

Abreu Sodre said that the payment of the foreign debt must take into account social justice. He said that the foreign debt should not be paid if this will bring misery and hunger to our people.

[Begin Abreu recording] This is our general principle: We will not pay if we will bring misery to our people in doing so. [end recording]

Speaking to students at the War College, Abreu said that Brazil, even though it could, will never pay its foreign debt. The Brazilian debt will have to be renegotiated to reduce interest payments and the spread and to bring in fresh funds to promote development.

Commenting on yesterday's incident at Maracana Stadium during a soccer game between the Chilean and Brazilian national teams, Abreu Sodre said that this incident will not affect Brazilian-Chilean trade. He noted that it was just an unfortunate incident that occurred during a sporting event and should not have any other significance.

Chile To Pay Embassy Damages

PY0509135289 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 5 Sep 89

[Text] The Chilean Government will pay for repairing the damage caused to the Brazilian Embassy in Santiago last Sunday night, when hundreds of Chileans threw stones at the building. The stoning was a protest against the alleged attack on Chilean goalkeeper Roberto Rojas in Maracana Stadium in Rio de Janeiro.

The stones broke 44 window panes, which will be replaced at the expense of the Chilean Government, which also apologized for the incident.

Finance Minister Comments on Inflation Rate

PY0209035289 Sao Paulo FOLHA DE SAO PAULO in Portuguese 31 Aug 89 p C-3

[Text] Finance Minister Mailson da Nobrega seemed satisfied with [August's] 29.34 percent inflation when he spoke in Sao Paulo yesterday. "I don't want to make

predictions, but the 0.5 percent increase in the inflation rate indicates that the government was right when it told businessmen and workers that the economy was stabilized and that there was no risk of an inflationary explosion as the doomsayers predicted."

The minister denied that he has stopped his efforts to control inflation, and he added that "we struggle every hour and every minute to slow down inflation."

Poll Shows Collor de Mello With Wide Lead

PY0209014489 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 1 Sep 89

[Excerpt] The latest opinion poll conducted by IBOPE [Brazilian Public Opinion and Statistics Institute] has revealed the seesawing in the presidential race. This week, four candidates gained ground, three lost, and another four stayed put. The IBOPE interviewed more than 3,500 voters throughout Brazil. This is the nationwide standing of the candidates: Aureliano Chaves of the PFL [Liberal Front Party], Ronaldo Caiado of the PSD [Partido Social Democratico—Social Democratic Party], and Roberto Freire of the PCB [Brasilian Communist Party] are tied at 1 percent; Assis Domingos of the PL [Liberal Party] stayed put with 2 percent; Ulysses Guimaraes of the PMDB [Brazilian Democratic Movement Party] lost 1 percentage point and has 3 percent; Mario Covas of the PSDB [Brazilian Social Democracy Party] also lost 1 percentage point and has now 4 percent; Paulo Maluf of the PDS [Partido Democratico Social—Social Democratic Party] and Luiz Inacio da Silva of the PT [Workers Party] climbed 1 percentage point and now are tied at 6 percent; Leonel Brizola of the PDT [Democratic Workers Party] gained 1 percentage point and now has 15 percent; and Fernando Collor de Mello of the PRN [National Reconstruction Party] lost 2 percentage points and has 42 percent.

Senator Afonso Camargo, candidate for the PPB [Brazilian Peoples Party] is running last. According to the IBOPE poll, 15 percent of the voters are still undecided and, should the election be held today, 4 percent would cast blank and invalid votes. [passage omitted]

Sao Paulo Company To Import Polish-Made Planes

PY0209162489 Rio de Janeiro O GLOBO in Portuguese 1 Sep 89 p 26

[Text] Arapongas—The Sao Paulo-based Transmarket Company will import 240 Antonov An-2 airplanes manufactured in Poland by November. The Antonov, considered the best single-engine plane in the world, is 12 meters long, has a 18-meter wingspan, and is capable of 6-hour flights. It can carry 12 passengers or a 2,000-kg load with pilot and copilot.

Each plane will cost nearly $300,000. The parts for the first Antonov plane were shipped from Poland early this month and ferried to Arapongas, north of Parana State, where the Omega Organization Inc., the enterprise that will assemble and service these planes, is located.

The Antonov An-2 has been in production since 1942, and 27,000 units have already been sold. There are 16,000 in the Soviet Union and 10,000 in Poland, and the PRC has bought 1,000.

Transmarket President Francisco de Paiva Baracho says that the market outlook for the Antonov is excellent because the aircraft has several uses: aerial photography, pesticide spraying, parachuting, putting out fires, and ambulance and air-taxi applications.

The first Antonov An-2 assembled in Arapongas will make demonstration flights in South America, but it has already been sold to an air-taxi company in Para. Omega Director Nestor da Costa said that the airplane will be very useful in small airports and that he has been trying to import them for 2 years.

Saudi Arabian Order Would 'Overcome' Problems

PY0509195889 Sao Paulo FOLHA DE SAO PAULO in Portuguese 3 Sep 89 p A-6

[Text] Engesa [Specialized Engineer, Inc.] and Avibras [Brazilian Aerospace Industry] are expecting a decision from the Saudi Arabian Defense Ministry to sign contracts that will help overcome their current financial difficulties. Approximately 10 days ago, Engesa President Jose Luis Whitaker visited the Army Ministry and the National Defense Advisory Secretariat [Secretaria de Assessoramento da Defensa Nacional] (SADEN, the new name given to the former National Security Council), in Brasilia, and stated that by the end of October the Saudi Arabian authorities will sign a contract for the purchase of 320 Osorio tanks.

Whitaker went to Brasilia after manipulating the "leak" of this information to the press, which appeared a few days later, following reports that three suppliers of Engesa have asked that the company be declared bankrupt due to unpaid debts. A report is also circulating at the Sao Paulo stock market that the Securities Commission (CVM) will reportedly investigate the performance of companies that leak informatin to artificially increase the value of their shares.

Over the past weekend, it was announced that Engetronica—part of the Engesa group that makes communications equipment—would be sold to the Modata company for $20 million ($5 million to be paid cash). Engetronica, which has 450 employees, has accrued a $30-million debt.

The report on the forthcoming signing of the contract is not new. The first report appeared on the second half of 1986, and the most recent report appeared in February 1989 when FOLHA DE SAO PAULO reported businessman Oswaldo Palma Junior, a friend of Engesa vice president Vito di Grassi, as saying that an order will be placed for 315 Osorio tanks.

Antitank Missiles Testing Planned for Nov-Jan

PY0509191789 Sao Paulo FOLHA DE SAO PAULO in Portuguese 3 Sep 89 p A-6

[By reporter Roberto Lopez]

[Text] The Sao Paulo-based Orbita Company, the Italian Oto Melara Company, and the Brazilian Government will once again test the MSS 1.2 antitank missile some time between November and January 1990. The test will be conducted in the military testing ground in Restinga da Marambaia, on the southern coast of Rio de Janeiro. If the MSS 1.2 passes all the tests, Orbita will manufacture 10 prototypes for the Brazilian Army.

Designed to hit targets at a distance of 3 kilometers, the missile "sails" along a beam of laser rays emitted from the firing site. The upcoming "campaign" (meaning testing in military jargon) will check the missile's ability to stay on the laser track, even when following a moving target.

To perform that test, the Army will prepare a railroad track on which a car fitted with a tank's silhoutte will run. This will be the first time the missile has been fired at a target on the ground. In the last test, performed in May, the missile hit a target raised 3 meters off the ground. This success was an obvious improvement over the previous test late in 1988 when the MSS 1.2 missed the target, going above it. A film of the May test was presented to the Army High Command late that month.

In the two tests conducted in Brazil, the objective was to check the missile's ability to stay in the laser beam. Some time ago in Italy the manufacturers fired 20 of these missiles. According to Sergio Prado, Orbita's director-superintendent, developing the MSS 1.2 may cost $80 million.

Today, all the scant resources of the Army Technological Center (CTEx) for large projects are being invested in the MSS 1.2 project. Four months ago, General Helio Pacheco, secretary of science and technology for the land forces discovered that another antitank missile project is being developed in the country. During a visit to AVIBRAS [Avibras Aerospace Industry Inc] (a manufacturer of missiles near the Orbita Company), in the municipality of Sao Jose dos Campos, Sao Paulo State, Gen Pacheco and his party watched a film of a test flight of the MACMP, an antitank and antihelicopter missile that is guided by fiber optics.

The MACMP has a chamber in its nose. Through a very fine fibre optic, which is released during its flight, it transmits images to the operator. The MACMP tests have been conducted in the AVIBRAS installations in the municipality of Lorena (near Sao Jose dos Campos). In late May when FOLHA published an interview with AVIBRAS president Joao Verdi Leite announcing the MACMP development, Vito Di Grassi, former Orbita president and current vice president of ENGESA [Specialized Engineers Inc] (manufacturers of armored vehicles that hold 40 percent of Orbita Company's stocks), thought that Verdi Leite had granted his interview in order to hurt the presentation of the MSS 1.2 film to the Army High Command, however, this has never been proven.

Today, calm prevails. The government's recent decision to allow private industry to participate in the development of the Brazilian space program will help to bring together, for a common effort, companies such as AVIBRAS, orbita, and EMBRAER [Brazilian Aeronautics Company] (aircraft manufacturer subordinate to the Aeronautics Ministry). This joint program will be coordinated by Mario Barbosa, the director of the Space Research Institute (INPE). Barbosa is now considering the offer of becoming the head of an organization for coordinating all industrial efforts in the space field—some sort of Brazilian NASA.

Missing Varig Airliner, Survivors, Found

PY0509195089 Madrid EFE in Spanish 1915 GMT 5 Sep 89

[Excerpt] Belem, 5 Sep (EFE)—Varig President Helio Smidt [name as received] this afternoon confirmed that the Boeing 737 airliner of his company that was lost on Sunday with 54 persons on board has been located in the Amazon region near Sao Felix do Xingu, a county in northern Mato Grosso State.

The Globo TV Station reported that six passengers may have died and four others were injured. Other reports indicate that there have been no fatal casualties, only several injured people.

The Varig press release states that one of the passengers of the flight walked for more than 2 and ½ hours through the jungle until he reached a cattle ranch in Sao Felix do Xingu, from where he got in touch with the authorities by means of a ham radio.

The place where the plane crashed is approximately 700 km south of Belem, capital of Para State, from where the search and rescue operations were being organized.

Helio Smidt reported that an effort is being made to establish the exact location of the plane in order to send rescue teams. The Aeronautics Ministry will release an official communique this afternoon on the rescue operations to pull out the survivors. [passage omitted]

Air Force Begins Rescue

PY0609000289 Brasilia Domestic Service in Portuguese 2200 GMT 5 Sep 89

[Text] At least 46 people survived the air crash of a Boeing 737, of Varig Airlines Flight No 254 which made an emergency landing at 1930 on 3 September near Sao Felix do Xingu District, Para State. Some 40 hours after the accident, 4 survivors arrived at a farm called Curumare after walking 20 km in the forest.

The airplane had problems with its navigation system so it landed in a forest area known as Serra do Matao, 80

km south of Sao Jose do Xingu. One of the survivors, engineer Epaminondas Chaves, contacted Belem authorities on the radio. He said that 8 people died during the crash but they have not been identified yet.

This radio contact allowed FAB [Brazilian Air Force] planes to fly to the crash site and drop food and medical supplies for the survivors, thus beginning the rescue operation.

The Boeing 737, which carried a 6-member crew and 48 passengers, disappeared on 3 September on its Maraba-Belem do Para route. The flight, which departed from Sao Paulo on 3 September at 0930, made stopovers in Uberlandia, Brasilia, Imperatriz, and Maraba, where it departed at 1700. Twenty minutes later, Commander Cesar Augusto Garces informed the control tower of Belem Airport that an electricity failure had affected his navigation instruments.

The last contact the pilot made was with another Varig plane on the Manaus-Santarem route. Commander Garces reported he had little fuel left and that he would have to make an emergency landing.

Three survivors from the Varig airplane accident are being transported by a FAB Bandeirantes plane to the Caximbo Air Base in southern Para State, which will be the center for rescue operations. Three of the four rescued passengers have been identified as Marcionilio Ramos Pinheiro Filho, Epaminondas de Souza Chaves, and Antonio Faria de Olivera, who are in good health. The fourth remains in Sao Jose do Xingu to help rescue the rest of the people who are still at the crash site.

The rescue operation will begin early tomorrow. Four FAB helicopters will transport the survivors to Sao Jose do Xingu, from where they will go to the Caximbo Air Base, and finally, to Brasilia.

A FAB Hercules C-130 aircraft this afternoon dropped food and medical supplies and equipment to the survivors.

Radio Stations Transferred to State Government

PY0209004489 Brasilia Domestic Service in Portuguese 2200 GMT 1 Sep 89

[Text] RADIOBRAS today transferred control of three radio stations in the Amazon region to the government of Amazonas State. The transfer contract was signed in Manaus by RADIOBRAS president Antonio Martins and Governor Amazonino Mendes.

The radio stations that are now owned by the Amazonas State are a mediumwave station and a tropical wave station in Tabatinga, and a mediumwave station in Tefe.

With the transfer of those three stations, RADIOBRAS now operates 7 radio stations, which Antonio Martins considers to be strategic in the country's communication at the national and international levels. When Martins assumed the presidency of RADIOBRAS, this government-run company had 40 radio and television stations throughout the country. Then he decided to streamline the company by liquidating all the deficit-prone television and radio stations.

Chile

Protest Lodged With USSR for Illegal Fishing

PY0509212289 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 5 Sep 89

[Text] The Foreign Ministry has lodged a protest with the Soviet Union over the activities of the Soviet fishing fleet in the Pacific Ocean. The formal protest was lodged through the Peruvian Foreign Ministry, which represents Chilean interests in the Soviet Union.

Foreign Ministry spokesman Carlos Ducci has said that the Peruvian Foreign Ministry has sent the protest to the Peruvian Embassy in Moscow. He added that he expects that Soviet authorities will receive the protest today.

Ducci emphasized that the Chilean Navy recently caught ships flying the Soviet flag fishing inside the 200-mile exclusive economic zone.

Medellin Cartel Traffickers Taken to Arica

PY0509161089 Santiago Domestic Service in Spanish 1030 GMT 5 Sep 89

[Excerpts] Five Colombian citizens [as heard] who are involved in what is called the largest single incident of cocaine trafficking of the century, and who belong to the Medellin Cartel, have been taken to Arica under strict security. Patricio Ramirez will give us further details on this from Arica.

[Begin Ramirez report] The five individuals involved with the 500 kg of Colombian cocaine found in Arica have arrived at the main prison here in Arica. [passage omitted]

According to the reports, the prisoners, who are involved with the Medellin Cartel, are Angel Alfonso Vargas, 25, a Chilean; Misail Antonio Sanchez Quebrada, 42, a Colombian; (Hans Corroz Hiterevich), a Bolivian; Luis Cuesta Perez and Luis Correa Ramirez, both Colombians.

Chilean news media representatives will be present at the trial of these individuals in the first Arica Court. Judge Erico Gatica has ordered important investigations in this case, which has turned this city into the center of national and international attention.

A Colombian lawyer has arrived in Arica to defend these individuals accused of the so-called drug trafficking deal of the century.

MIR Spokesman Killed in Santiago Attack

PY0509210889 Santiago Radio Chilena Network in Spanish 1700 GMT 5 Sep 89

[Excerpts] Police sources have confirmed that Jecar Antonio Neghme Cristi, 28, political leader of the Movement of the Revolutionary Left, MIR, died instantly last night when he was hit by 12 bullets fired from 2 different weapons in an attack that occurred while he was walking home from his party office.

Some documents were found at the scene of the crime. One of the leaflets found stated: Killed for betraying the revolutionary struggle and the people. Yellow and bourgeois [as heard].

According to the investigators, Neghme's body received 18 bullet wounds, caused by 12 direct hits. The attack was carried out by a group of armed individuals in a moving car. Nothing is known about the attackers.

Carabineros personnel went to the scene of the crime after receiving a telephone call. Homicide experts from the civilian police arrived a little later. They immediately conducted the appropriate investigations where the MIR spokesman was gunned down. Neghme was killed some 50 meters from the Bernardo O'Higgins promenade, at 10 West Bulnes Street. The street is poorly lit. It is believed that there were no eyewitnesses of the crime. [passage omitted]

According to police sources, two automatic weapons were used; one a 7.65-mm and the other a 9-mm. The police added that Neghme was not carrying a weapon. A briefcase found near his body contained some speeches and a book on Chilean history. [passage omitted]

MIR Demands Investigation

PY0509215889 Santiago Radio Chilena Network in Spanish 1700 GMT 5 Sep 89

[Text] The Movement of the Revolutionary Left, MIR, today demanded the immediate appointment of a judge to investigate the murder of MIR spokesman Jecar Neghme.

Patricio Rivas, a MIR Central Committee member, said that the left and the opposition in general will not fall in any trap and that they will continue along the democratic electoral path. Rivas added that Jecar Neghme's murder is a blow to the entire opposition. He said that it is aimed at preventing the opposition from recovering democracy in Chile.

Rivas said: We will not deviate from the path chosen by Neghme. We will not fall in any trap because the MIR and the opposition know that we are facing state terrorism.

Agueda Saenz, Neghme's girlfriend, demands justice. She said: We know that it is difficult to ask for justice under this regime but we trust that the future democratic government will find the people responsible for this absurd crime. Saenz, who is also a MIR member, said that she expects loyalty from the press and the Chilean people because the path chosen by the opposition is the right one and that this murder proves it.

This afternoon at 1600 there will be a human chain from the Human Rights Commission headquarters on 1373 Huerfanos Street to Bulnes Street where Neghme was murdered.

Merino Condemns Murder

PY0609005089 Santiago Domestic Service in Spanish 2300 GMT 5 Sep 89

[Excerpts] Admiral Jose Toribio Merino today said that the shooting of Jecar Neghme, the MIR [Movement of the Revolutionary Left] member who was murdered two blocks from his party headquarters, was brutal. [passage omitted]

Merino added that murder is not the act of civilized people who live under a perfectly clear legal system and who have to answer for their acts. [passage omitted]

Attorney General Ambrosio Rodriguez has taken action in the case of the MIR spokesman's murder. Rodriguez filed a report to the Fourth Criminal Court. The head of this court will head the investigation because it involves an act of terrorism.

Supreme Court Judge Rivas del Canto Retires

PY0509194189 Santiago Domestic Service in Spanish 1030 GMT 5 Sep 89

[Summary] Supreme Court Judge Victor Manuel Rivas del Canto has submitted his resignation from his post as a Supreme Court Judge. His resignation will be effective as of 14 September. At the age of 75, he is entitled to the benefits of law 18,805.

Training Ship 'Esmeralda' Bound for New Zealand

PY0509181289 Santiago Domestic Service in Spanish 1030 GMT 5 Sep 89

[Text] The training ship "Esmeralda" is sailing toward New Zealand, where it will arrive on Friday, 8 September. It will stay there until 12 September.

This ship left recently the port of Apra, Guam Island, where it paid a 5-day visit. There the Chilean midshipmen took some tours and visited the naval aviation base in Guam. They also visited the U.S. submarines support ships, an ammunition transport ship, the Marine garrison, and the Coast Guard service.

They also visited the naval oceanographic command center, which provides a valuable aid in predicting typhoons, among other activities.

Colombia

Continuing Coverage of National Drug Offensive

State of Emergency Possible

PA0609034289 Bogota Inravision Television Cadena 1 in Spanish 0302 GMT 5 Sep 89

[Text] President Virgilio Barco has convened a security council meeting for 6 September to discuss the issuing of a new decree for a state of emergency. That announcement was made tonight by Government Minister Orlando Vasquez Velasquez at the end of a special meeting between several ministers and the president.

Communications Minister Carlos Lemos Simmonds was present at the meeting and he spoke to this newscast about the persons eligible for extradition .

[Begin Lemos recording] I hope the aid offered to Colombia will be substantial and I hope the consumption problem will be fought, because it is a fundamental problem. I think that as long as consumption is not repressed in the United States itself, the world will never be able to fight drug trafficking effectively.

[Reporter] Will the situation of the persons eligible for extradition be decided tomorrow?

[Lemos] We are studying the steps that will be taken in these cases because there have been certain appeals that have been filed, and the government must respect them because we are acting within a legal framework and we cannot violate the law. In fact, we are defending the law.

Justice Minister on Dialogue

PA0609010289 Bogota Inravision Television Cadena 1 in Spanish 0025 GMT 6 Sep 89

[Text] Despite the emphatic statements made by Colombian President Virgilio Barco and acting Justice Minister Carlos Lemos Simmonds to the effect that the government cannot possibly engage in a dialogue with drug traffickers, a statement made by the justice minister in the United States indicates that the possibility of dialogue has not been ruled out. This means that the titular head of the Justice Ministry is saying yes, while the acting minister says no.

In statements to SEMANA magazine, Justice Minister Monica de Greiff, who has been well received by the U.S. public, not only did not rule out the possibility of a dialogue with the drug traffickers; she said she wants to hear their proposals. However, while the minister was saying this in the United States, Communications Minister Carlos Lemos Simmonds, who is currently acting justice minister, said that the drug traffickers are not the kind of people with whom the government can hold a dialogue. This apparent contradiction between two Barco administration ministers is the result of a statement made by the justice minister and published in the latest issue of the magazine. She said: Dialogue cannot be completely ruled out, but under no circumstances can it be carried out from a position of weakness; it is not a matter of accepting what they propose, but of listening to what they wish to propose.

However, the acting justice minister said 5 days ago at the Narino Palace, on clear instructions from President Barco, that the government has not considered the possibility of a dialogue with people who have committed crimes related to drug trafficking.

Meanwhile, rumors have begun to circulate regarding a cabinet reshuffle that is reportedly to take place in the next few days. Among those reportedly to be ousted are Development Minister Carlos Arturo Marulanda, Education Minister Manuel Francisco Becerra, and Justice Minister Monica de Greiff, herself.

Judges To Work Out of DAS

PA0609020889 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 6 Sep 89

[Text] Public order judges will begin working out of DAS [Administrative Department of Security] headquarters. This is a part of the protective measures the authorities are implementing to prevent Colombian judges from being murdered. Furthermore, security measures at court entrances can be noted, even such implausible measures as this: All people who bear weapons must turn them in at the entrance in exchange for a piece of cardboard.

All these weapons belong to people visiting the Palo Quemado courts. On some days, there can be as many as 100 different caliber weapons lying on the table. They are identified by simple, easily forged pieces of cardboard. This is one of the security measures used to protect judges working here. Armed policemen carry out body searches on visitors and check out the surrounding areas, but the judges are still nervous.

Judges with the most responsibilities—public order judges—yearn for severe restrictions such as those that protect Italian judges, who convene in secure bunkers that protect them from danger, as well as their families. Lacking those facilities, Colombian judges have accepted the offer made by the DAS director.

[Begin recording] [Orlando Morales, Judicial Branch National Association secretary] Public order judges are going to work out of the DAS offices.

[Reporter] Do you know when?

[Morales] Beginning next week, I believe. [end recording]

Minister on Added Security

PA0609024089 Bogota EL SIGLO in Spanish 31 Aug 89 p 7-A

[Text] Seeking to ensure the calm of Antioquia residents, new complementary measures were adopted by the

National Security Council which met at the Presidency on 30 August. Government Minister Orlando Vasquez Velasquez said the national government is concerned about the incidents taking place in Valle de Aburra, especially in Medellin. He made assurances that measures will be intensified through new search operations and the reinforcement of troops.

Regarding the decisions made by the Medellin mayor, the government minister explained that the executive branch will take the necessary provisions to support the measures adopted by the Antioquia authorities. "The government will intensify the operations and special measures that should be implemented in Valle de Aburra. The executive branch is keenly interested in the fate of Antioquia residents. We are going to give you all the necessary attention. Medellin is at this time the center of a series of disturbances. Therefore, we will implement the necessary mechanisms to restore calm," Orlando Vasquez Velasquez emphasized. The minister also announced that the national government will support measures adopted to protect public order in Medellin, provided the measures are discussed with the executive branch.

Vasquez Velasquez stated that all matters referring to security measures in Antioquia will be coordinated. "Full assistance is ensured in all matters relevant to the national government. We believe there are measures that should not be enforced exclusively in Medellin. Rather, they should be enforced in other nearby municipalities, and the repercussions these measures could have in the normal activities in Valle de Aburra should be determined," Orlando Vasquez Velasquez added.

The government minister also said that 100 national police agents have been sent to the capital of Antioquia to reinforce the Antioquia police. He announced that 100 other police agents will be sent at the end of September. Full teams of investigators have also been sent to the area, he explained.

Government Minister Orlando Vasquez Velasquez maintained that dire dialogue sessions with the "Simon Bolivar Guerrilla Coordinating Board" will begin next week. He said that after some contacts are made in the next few days talks will definitively begin with the Popular Liberation Army, the Revolutionary Armed Forces of Colombia, the Quintin Lame Commando Unit, and the Revolutionary Workers Party.

Another 'Extraditable' Arrested

PA0609042289 Bogota EL SIGLO in Spanish 1 Sep 89 p 3-A

[Report by Luis A. Bello]

[Text] During the last few hours Administrative Department of Security agents arrested another extraditable, Carlini Roberto Victor Arico [name as published], as part of antidrug trafficking operations taking place all over the country.

The arrest took place in Cartagena following intense surveillance on the 37-year-old businessman, a native of the Bolivar Department's capital.

Victor Arico was arrested on Real Street, La Manga neighborhood, just as he was leaving his residence where he had met with several friends.

Department of Security spokesmen in the capital of Bolivar reported that the arrested businessman is sought by the Justice Ministry under Warrant No 06930 for extradition purposes.

It has been established that the businessman had been sought by the United States since 1987, but because of the abolishment of the law that provides the legal framework for the extradition treaty to be implemented, and because he was not sought by the Colombian justice system, he has gone free.

Arico is married and has two children. After his arrest he was taken to the Department of Security jail, and from there he was taken in a plane to Bogota under Justice Ministry orders.

Sounding distressed, the businessman said he did not know there was an arrest warrant issued against him.

Arico also seemed surprised over the extradition, adding that the Colombian Government should have the means to mete out justice to its citizens without having to send them abroad to stand trial.

The businessman appeared evasive when commenting on the reasons for the arrest warrant to extradite him to the United States.

As is already known, President Virgilio Barco Vargas' government authorized the extradition of economist Eduardo Martinez Romero, arrested in Sucre Department.

Trafficker Files Appeal

PA0509234889 Paris AFP in Spanish 2204 GMT 5 Sep 89

[Excerpts] Bogota, 5 Sep (AFP)—Eduardo Martinez Romero, a Colombian who could be extradited to the United States on charges of trafficking in cocaine, today asked the State Council to invalidate the government's decision to turn him over to U.S. courts.

The Administrative Disputes Court will have 10 working days, beginning today, to rule on Martinez' request. If the appeal is rejected, Martinez could be turned over to U.S. courts.

Also under arrest in Colombia and eligible for extradition are Ana Beatriz Helena Rodriguez and Victor Roberto Carllini. Carllini was arrested by the Colombian Police on 19 August at his farm, Toredecillas, in Tolu Municipality, northwestern Colombia. Martinez Romero is accused by U.S. authorities of being the treasurer of the Medellin Cartel.

"That is not true," the defendant said.

Martinez said he does not know the members of the cartel and is ignorant of the charges on which the U.S. DEA has based its extradition request.[passage omitted]

Martinez' appeal is the first to be filed in the courts against an administrative decision made by the government since Barco reestablished extradition in a decree issued on 18 August.[passage omitted]

Cocaine Production Suspended

PA0509175889 Paris AFP in Spanish 1629 GMT 5 Sep 89

[Text] Bogota, 5 Sep (AFP)—The Colombian Government's declared war on the drug lords has forced the suspension of cocaine production, the Bogota daily EL TIEMPO reported today citing local police sources.

"Cocaine Production Suspended in Colombia" reads the headline of an article in this morning's edition, which reports that as a result of the suspension in production, there will be "an unprecedented increase in the price of cocaine" within 1 month.

The paper also announced that the Colombian police are studying a new strategy to fight drug trafficking.

"Inasmuch as there is no production, we will now attack drug cultivation," the source told EL TIEMPO, adding that by the end of this week, "an operation to destroy the coca plantations will be ready."

The main plantations are on the eastern plains, a vast region engaged in cattle raising and agriculture.

According to the newspaper, the halt in cocaine production is very apparent, adding that it has been confirmed that the cocaine-production centers in the Magdalena Medio, El Vichada, and the eastern plains "are inactive."

Those who were processing 1 to 2 kg of cocaine in the cities have suspended these activities, the newspaper adds. During the offensive launched 2 weeks ago against the drug mafias, the cocaine-processing laboratories have not been occupied, although at least 5,000 kg of the drug have been confiscated.

Colombian police have raided several cocaine-processing complexes this year in the Middle Magdalena region, a wooded area 300 km northeast of Bogota. The main estates of Pablo Escobar, the Medellin Cartel chief, are located in this area. According to the U.S. Drug Enforcement Agency, Escobar provides 80 percent of the cocaine consumed in the United States.

The antinarcotics police believe that "the suspension in the production of the drug will soon be reflected in the international prices," the newspaper noted.

"It is believed that at this time there is enough cocaine in the consumer countries, especially in the United States," EL TIEMPO indicated, to last 1 month. The newspaper adds that "in 30 days the supplies will be exhausted and there will be an increase in the price per kilogram."

Column on U.S. Commitment

PA0609012189 Bogota EL TIEMPO in Spanish 1 Sep 89 p 5

["Tower" column by D'Artagnan: "Only Crumbs, Uncle Sam?"]

[Text] As regards what is happening in Colombia, we are not, as shameless and importunate beggars, posing the previous question. The major world publications are.

For example, in its most recent issue, TIME magazine states: "What is important now is how well prepared the United States is to battle drugs on our own streets." The newspaper LE MONDE points out that now is the time for the international community to establish—in the United States—a "multilateral force to fight drugs." THE NEW YORK TIMES states that President Barco's most recent measures deserve much praise from the White House. "However, praise is cheap. Colombia needs money and equipment," that paper adds.

Praise is cheap, the most important U.S. newspaper points out. In practice, there has been no commitment to wage an effective fight, all the more so because all the dead caused by this trade are Colombians. EEC solidarity messages are both encouraging and innocuous. Actually, they are no longer even encouraging.

The developed nations of the world have not yet fully realized that narcotics trafficking is a multilateral problem, not a unilateral one. The world must realize that in spite of the actions taken —suppression of daily production, the capture of "capos," and the seizure of their property—the problem will not end as the DEA thinks until drug consumption is strictly controlled. To speak of eliminating it is only utopian thinking....

This has been said so many times, but although it has reached the saturation point it is still valid. The foreign aid that has been received so far is sparse. It helps, but very little. I am not aware if the helicopters sent by the United States are junk, as one newscast announcer said. I do not think so, but the fact is that with two aircraft the war against narcotics trafficking is practically useless, even if the United States thinks otherwise.

Regardless of the economic assistance Colombia may urgently need to continue waging "its declared war to the death—an assistance that I am sorry to say has to be something more than just $65 million—undoubtedly the most important issue right now is the expected announcement of the famous Bennet Plan which President Bush will make on 5 September.

In what will be his first television address, President Bush is planning to make a detailed explanation of this plan that calls, not only for offering assistance to the so-called Third World countries involved in the drug problem, but also for the strategies that will be used in

the United States to fight drug use, which continues to be outrageous and alarming—and we did not make that up. In the same manner that one gringo reporter asked our minister of justice—who is in Washington right now—if the Colombians were actually confronted with the problem of judges being bribed by the mafia, it is difficult to rule out that in the United States the same situation is not occurring to many of their authorities. Otherwise, there is no explanation for the proliferation of illegal drug vendors.

Two Bombs Explode in Medellin

PA0609034989 Bogota Inravision Television Cadena 1 in Spanish 0258 GMT 6 Sep 89

[Report by Silvia Maria Hoyos in Medellin—recorded]

[Text] Two more bombs exploded minutes ago in Medellin. The explosions occurred in Castilla neighborhood, where the devices destroyed the local branches of the Social Savings Board and the Development Cooperative. Five persons were injured, including a boy and an old man. These events are part of the worrisome wave of attacks which have been perpetrated in the capital of Antioquia Department.

The fire at La Estacion Restaurant, on the highway to Las Palmas, has increased to 400 million pesos the damage caused by the wave of terrorist actions unleashed in Medellin since 26 August. A group of armed men traveling in a vehicle and a motorcycle arrived at the restaurant and told the employees to evacuate the place. The men splashed gasoline all over the place, set fire to it, and then fled. The restaurant was completely destroyed but, fortunately, no one was injured or killed.

As a result of this wave of violence in Medellin, 21 attacks have been perpetrated, 14 devices have been defused, 2 persons have been killed, and 8 have been wounded during the last 9 days.

The authorities have reported that the new attack caused approximately 17 million pesos in damage.

Colonel's Wife Killed by Unidentified Assailants

PA0509205389 Paris AFP in Spanish 2002 GMT 5 Sep 89

[Text] Bogota, 5 Sep (AF)—The Defense Ministry has reported that a group of unidentified individuals today killed Angela de Guerrero, wife of Colonel Carlos Guerrero, of the Administration and Logistics Department of the Armed Forces General Command, in northern Bogota.

According to a military report, Angela de Guerrero was waiting for a relative in front of a supermarket when she was shot from a moving vehicle.

A police operation is now being carried out in search of the criminals.

Paraguay

Finance Minister Departs for United States

PY0509230989 Asuncion HOY in Spanish 5 Sep 89 p 15

[Text] Finance Minister Enzo Debernardi yesterday went to the United States to begin talks with international financial organizations. He said that to pay the Paraguayan foreign debt in current terms would seriously harm development. Debernardi will meet with the IMF, the World Bank, and the U.S. Treasury. The IDB [Inter-American Development Bank] may support his initiatives, thus facilitating the negotiations.

Following a meeting with President Andres Rodriguez in Government House, Minister Debernardi said: "The foreign debt cannot be paid within the current terms because it could seriously harm our development. Therefore we must begin a new process to restructure the Paraguayan foreign debt."

Debernardi added: "I have come to receive my final instructions from the president before I depart, and also to discuss the budget problem."

Regarding the foreign debt, the finance minister said: "Paraguay must renegotiate its foreign debt, and for this we need the close cooperation of the large financial institutions like the IMF, the World Bank, and the U.S. Treasury."

"All this can be achieved with counseling from the IDB, which I would call our bank since we are shareholders in it. Besides, the IDB president is a great friend of Paraguay and a great expert in international financial issues," Debernardi added.

When asked if other financial organizations beside the mentioned ones were contacted, Debernardi said "No. We must officially contact the four mentioned organizations. We will then try to speak with U.S. officials in an attempt to improve our position. These organizations I mentioned are the basics for any future action."

Debernardi said that there are no defined actions for the upcoming talks. "If we had something definite we would not travel to negotiate. We are not taking proposals, but we are taking some studies, and many alternatives," Debernardi said.

The finance minister was questioned on the Brady Plan which was rejected by Paraguayan Government officials amid criticism from many economists. Debernardi said: "I do not mean that the Brady Plan has been rejected, I mean that the 30 pecent discount this plan offers is not currently convenient for our country."

Government Cancels Consul's Duties in Panama

PY0509154689 Asuncion HOY in Spanish
5 Sep 89 p 16

[Text] Dr Basilio Bogado Gondra, a member of the Authentic Radical Liberal Party [PLRA], will be the new Paraguayan ambassador in Venezuela. Foreign Minister Luis Maria Argana announced this yesterday after meeting with President Andres Rodriguez at the Presidential Palace.

The leading Paraguayan diplomat also announced that other opposition leaders will be given diplomatic posts, but he refused to name them because they will shortly go to Government House where President Rodriguez will make the offer himself.

Bogado Gondra will replace Raul Monte Domecq, who was dismissed in June after serving 4 years as ambassador for General Alfredo Stroessner's regime.

The Paraguayan Foreign Minister also reported yesterday that the Paraguayan Government has decided to take away the duties of charge d'affaires of the diplomat it has in Panama. "We have an honorary consul in Panama, a Panamanian citizen, who is also serving as charge d'affaires. We will terminate his duties as charge d'affaires but keep him on as consul."

After explaining the role of diplomats according to the Vienna Convention, Argana said: "We cannot withdraw our ambassador because we have none, so we will terminate the consul's diplomatic duties as charge d'affaires."

Foreign Minister Invited by Mexican Counterpart

PY0509201989 Asuncion PATRIA in Spanish
5 Sep 89 p 6

[Excerpt] Mexican Foreign Minister Fernando Solana Morales has officially invited his Paraguayan counterpart, Dr Luis Maria Argana, to visit Mexico soon. This was reported by an authoritative Foreign Ministry source yesterday.

Foreign Ministry Under Secretary Dr Bernardino Hugo Saguier Caballero made this official announcement after his usual meeting with Foreign Minister Argana.

The Foreign Ministry under secretary made a brief and special visit to Mexico City shortly after the conclusion of the 21st OAS meeting of foreign ministers in Washington. The meeting was sponsored by the OAS Permanent Council to discuss the delicate hemisphere issue of Panama. [passage omitted]

Uruguay

Sanguinetti Meets Italian Congresswoman

PY0509133489 Montevideo Radio Carve in Spanish
0930 GMT 5 Sep 89

[By Lino Torres]

[Excerpt] [Passage omitted] During a courtesy visit, Italian Deputy (Alma Allata Capiello) greeted President Julio Maria Sanguinetti.

The Italian legislator, who was accompanied by the Italian ambassador to Uruguay, (Paolo Angelini Rosa), is a member of a delegation of the Italian Socialist Party that is making various contacts and tourism visits in Uruguay.

Minister to U.S. To Seek Debt Reduction

PY0509173689 Montevideo Radio Carve in Spanish
0000 GMT 5 Sep 89

[Text] Economy and Finance Minister Ricardo Zerbino has traveled to the United States, where he will seek to lighten our country's foreign debt burden. Zerbino considers it indispensable to achieve a reduction in payments that will allow for sustained growth and an adequate level of investments.

[Begin Zerbino recording] Well, you have said it: It is very important. I have nothing to say at this time, however, because not until 6 September will we meet to get a clear idea of what the country needs if it is to consolidate its economic future and its chances for social progress. The country needs a reprieve from its debt service, and we believe we have the good arguments and political support necessary to facilitate the negotiations. Nogotiation implies opposing interests. We must try to overcome the interests of those who want to maintain the debt in its present conditions. We believe it is indispensable for the country to obtain a reduction in debt servicing, so that the country can begin a process of sustained growth, with an adequate level of investments, and reduced inflation through reduced public deficit. These issues have been broadly debated, and it seems that the political parties have reached a consensus about them. The political parties, with only minor differences, share these objectives. These objectives will benefit the economy in the future, and we believe the banking system is interested in dealing with economically solid countries. We can see daily what happens to countries with insurmountable difficulties. Those countries are sinking deeply into debt, rather than emerging from it. We believe that in the long run, all the parties involved in the problem must be interested in solving it, and so they must participate in the efforts to improve the economic situation of Uruguay. [end recording]

Ven

Colombia's Drug War Seen [illegible] Threat'

PA0609000089 Madrid EFE in Spanish [illegible] 5 Sep 89

[Text] Caracas, 5 Sep (EFE) — The extensive border shared by Venezuela and Colombia is today, more than ever, the cause of concern for the Caracas government. The offensive against drug trafficking ordered by President Barco is viewed by local commentators as a dangerous threat to Venezuela due to its proximity to Colombia, with whom Venezuela shares over 2,000 km.

The border with Colombia has always been a cause of concern for Venezuelan governments. On several occasions Venezuela had to face raids into its territory, as well as the kidnapping of ranchers, smuggling of goods, and drug trafficking by Colombian guerrillas and criminals. The war declared by the Colombian Government on the Medellin Cartel opens up the possibility that many of the drug chieftains, and perhaps some drug kingpins, may seek refuge in Venezuelan territory.

Venezuelan President Carlos Andres Perez warned that if drug traffickers attempt to transfer their industries to Venezuela they will have to "face Venezuelan justice, and certainly extradition trials." The states of Zulia, Tachira, and Apure—in western Venezuela—border Colombian territory and have been the scene of drug trafficking operations many times. In the past few days Venezuelan security forces have increased vigilance at the main border posts because of rumors that drug traffickers have begun moving to Venezuela.

Governor of Zulia State Ismael Ordaz confirmed to newsmen that the government has intensified control and vigilance measures at the border with Colombia. He noted there is broad cooperation between the Venezuelan and Colombian authorities in the struggle against drug trafficking.

During a radio program on Monday, 4 September, journalist Jose Vicente Rangel, former Movement Toward Socialism presidential candidate, maintained that it is not at this time that drug traffickers are attempting to enter Venezuela because they entered a long time ago. Rangel maintained that Venezuela annually serves as a bridge for drug trafficking worth some $20 billion. Furthermore, he said, the expensive Venezuelan electoral campaigns have also received resources obtained from drug trafficking.

The figures given by Rangel are equivalent to 66 percent of the Venezuelan foreign debt, which amounts to some $30 million that the government is currently trying to renegotiate. Moreover, Rangel said, during the electoral campaign that concluded with the election of Carlos Andres Perez in December 1988, political parties invested some 5 billion bolivares (some $135 million) in propaganda. This figure is excessive if one takes into account that, as established by the law, the state only contributes 100 million bolivares ($2.7 million) for the electoral campaigns held every 5 years.

Rangel added that the possible transfer of Colombian drug trafficking operation centers to Venezuela is very worrying if one takes into account that Venezuelan Government officials have openly admitted the lack of vigilance at the borders. However, while Colombia is attempting, perhaps belatedly, not to yield to the economic power and violence of drugs, there seems to be no awareness in Venezuela about the grave danger posed by the alleged change of address which, according to some reports, is being planned by Colombian drug traffickers.

Senator, Carabobo Governor Resign From NGD

PA0609044389 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 5 Sep 89

[Text] Senator Jose Marsicobetre has resigned from the New Democratic Generation [NGD] presidency, thus creating a division within the party. In his opinion, the political organization is crumbling because it is now being used to satisfy personal goals. Carabobo State Governor Luis Tomas Izaguirre also resigned from the party; he wants to join the Democratic Action's [AD] National Executive Council [CEN].

Meanwhile, AD's CEN turned down President Carlos Andres Perez' request to support NGD leader Vladimir Gessen's candidacy to the Miranda State governorate; and it was unanimously agreed to hold another election on 10 September to elect the candidate that will run for the Miranda State governorate.

AD's CEN also reviewed Hector Alonso Lopez' appointment as AD assistant secretary general.

*** Ibanez Implicated in Housing, Financial Scandal**

*** Housing Scandal Discussed**

33480258 Caracas EL NACIONAL in Spanish 27 Jul 89 p D-1

[Article by Ludmila Vinogradoff: "Humberto Celli: Blanca Ibanez Must Prove Her Innocence"]

[Excerpt] Commenting on the denials made by Blanca Ibanez, private secretary of former President Lusinchi, Humberto Celli, secretary general of the AD [Democratic Action], said that she must "prove the falsity of the accusations" made by Deputies Carlos Tablante and Luis Manuel Esculpi.

In other words Ibanez must prove that she is innocent, providing evidence which contradicts the accusations made by the deputies. On the other hand Celli considers that Tablante and Esculpi also must present evidence in support of their accusations of a "traffic in influence, illicit enrichment, fraudulent concealment of information and data, and improper gains and collusion by public officials with contractors" before the Superior Court for Safeguarding Public Property.

The publication of the accusations made by Tablante and Esculpi, as well as those of Douglas Dager, fell like a bucket of cold water on the secretary general of AD when the press asked on 26 July for his comments on the matter. He called it a very serious development and set out the official position of Democratic Action on the question.

He said: "The accusations made before the Superior Court for Safeguarding Public Property and an ordinary court are extremely serious. We understand that Dr Blanca Ibanez has denied the truth of those accusations. We hope—and this is the position of Democratic Action—that proof of those accusations will be presented. And since Blanca Ibanez has issued a denial, she must prove the falsity of those accusations."

Asked whether there is a relationship between the accusations and the forthcoming elections, Celli commented: "There is no doubt that behind the accusations about administrative corruption there is an intention to harm Democratic Action, because in that way it is thought that the accusations will have negative effects in the December elections. That explains why they are accusing AD people in this frivolous way, making accusations which are not supported by the presentation of evidence."

He emphasized that Democratic Action does not accept responsibility if former President Jaime Lusinchi was involved in corruption during his administration. Neither does it accept the claims by some political leaders who support their accusations by making false statements without any evidence behind them. Nevertheless, he repeated that AD will support a court decision to punish government officials who may have committed crimes.

He was asked what AD will do if the accusations made against Blanca Ibanez are proved to be true.

He replied: "Democratic Action has the same position which we have held previously. We agree that these are very serious accusations which must be proved. Blanca Ibanez must prove the falseness of those accusations. AD will not make any other statement, and we continue to await further developments." [passage omitted]

* Ibanez Implicated in Fraud

33480258 Caracas EL NACIONAL in Spanish 26 Jul 89 p D-1

[Text] Citizen Blanca Ibanez stated on 7 June 1989 before the Special Committee of the Chamber of Deputies which is investigating the Recadi [National Preferential Exchange Office] case, "My salary was 14,000 bolivares, pardon me, 14,000 bolivares plus allowances." She said that it was not until January 1989 that her monthly salary was raised to 24,180 bolivares plus 600 bolivares in allowances. She also stated that she "had not received any other income from any other job." She stated, "My income includes income which I have received from my private property," and, "I have met my personal expenditures from my salary. I have always covered my expenses with my personal income."

That is, Doctor Ibanez stated to Congress that her income was limited to her salary and receipts from her "private property," which is duly set out in the sworn statement made when she completed her term of office.

Now, citizen judges, it is generally known that Blanca Ibanez used to appear at public ceremonies wearing luxurious dresses, costly jewels, with her hair styled and makeup applied by well known beauty parlors, that she owned luxury automobiles and made trips abroad after leaving her job, and that she is now in Miami, Florida, and has been there for more than 2 weeks, when the exchange rate for $1 has averaged about 38 bolivares.

Well, the previously listed "personal expenses" are those which Doctor Ibanez said she paid for with her salary....Let us analyze her sworn declaration of income to determine whether the growth in her income was possible. In effect, on the basis of an accounting and financial analysis of the three sworn declarations of income of Dr Ibanez which we have, it has been concluded that for this statement to have been true, she would have to have spent not one cent of what she obtained from her salary, vacation expenses, social security allowances, performance bonuses, compensation bonds, savings accounts, the sale of real estate, and interest from her bank accounts. And there still would not be enough to explain 63,802.12 bolivares in expenditures if her declaration was correct and sincere. In order to have judicial verification of this assertion, we ask that the Comptroller General of the Republic provide the court with the expert accountants required for this purpose.

Among other suspicious elements in the sworn statements of property made by Dr Blanca Ibanez is the fact that there are no differences between her statements submitted on 7 July 1983 and 2 March 1984. At the very least this involves the concealment of interest on the savings accounts which she declared. Well, as her assets, which averaged about 75,000 bolivares, rose to 2,563,260.58 bolivares, as shown in her last sworn declaration of property, her declared income was only 1,069,139.80 in salary, which, as she previously stated, went to cover her personal expenses. And she stated that she obtained 1,550,000 bolivares from the sale of the apartment in the "El Parral" building in the suburb of Colinas de Bello Monte, 1.3 million bolivares of which she claims to have deposited in the Banco Financiero in Savings Account No. 1,978 and 90,000 bolivares in Checking Account No. 01-05-1664-1 in the same Banco Financiero, the bank in Beto Finol. Well, this property cost Dr Ibanez 135,000 bolivares on 18 December 1974. This means that from its sale she realized a profit of 1,414,500 bolivares, which it was her obligation to report for income tax purposes as a Special Declaration on the Sale of Real Property (on Form D-203). At the tax rate of 30 percent of the profit this would come to about 424,352 bolivares. Well, did she pay this? Did she evade

paying this tax? Was she excused from paying it? This matter should be clarified, and the Ministry of Finance should be required to provide the corresponding page of her tax declaration. If she paid, the figures do not add up and would suggest an unjustified profit. If she did not pay, this action would also involve her in a crime, because some fabrication or some traffic in influence had to be involved for the tax registrar to approve this operation.

Citizen judges, if Dr Ibanez used her salary to meet her expenses, as she stated to Congress, and if she met her tax obligations, she made a profit in declared and unexplained bank deposits of 1,069,168.78 bolivares in the declared bank accounts alone.

However, there is more to it than that. Dr Blanca Ibanez concealed information fraudulently in her sworn declaration of property in attempting to exploit the good faith of the Office of the Comptroller General and other control bodies in the civil service in declaring that she owned 75 shares in the company known as 17 August Investments, Inc., a company domiciled in Caracas and registered before the Second Mercantile Registry of the Judicial District of the Federal District and the State of Miranda on 7 November 1980, under registration number 69 in Book 244-A, Volume II. She declared a value of 1,000 bolivares for each share, involving a total of only 75,000 bolivares in all. Dr Ibanez alleges that this is the total value of her interest in this firm. Well, Dr Blanca Ibanez bought all of the shares in this company on 14 January 1981, without stating the price of acquisition of the shares. By itself this development would suggest that there was no sale. However, a sale took place, because 17 August Investments, Inc., at the time was the owner of Parcel 3A-4 of the First Section of La Trinidad Satellite City, in the Municipality of Baruta in the State of Miranda, covering an area of 624.21 square meters and the house erected on it. On 25 November 1980 it was valued at 1.3 million bolivares, a figure which must have increased by the time that Dr Blanca Ibanez bought the shares in the company. At present the value is very much higher than that. However, there is even more to it. The firm of 17 August Investments Inc. purchased jointly with Vice Admiral Andres Eduardo Brito Martinez, the then minister of defense, on 21 October 1985, Parcel No. 463 of the First Section of La Trinidad Satellite City in the Municipality of Baruta, in the District of Sucre, State of Miranda, covering an area of 1,240 square meters, at a price of 878,630 bolivares.

Subsequently, on 6 November 1988 the stockholders in 17 August Investments, Inc. (Dr Blanca Ibanez and Andres Brito Martinez) divided up the parcel of land referred to, leaving 740.5 square meters for Blanca Ibanez and the remaining 500.89 square meters for Andres Eduardo Brito Martinez, according to a document recorded before the Second Circuit of the Registry of the District of Sucre of the State of Miranda, under entry No. 34 in Book 23.

All of these actions have occurred and have been registered, but the company belonging to Blanca Ibanez has not increased its capital, nor distributed dividends, nor explained where the funds came from to finance these activities. Nor are there figures in her file in the Mercantile Registry to show the status of company property and its record of profit and loss. Neither is the increase in the property of the company reflected in the last sworn declaration of property. An effort has been made in this way to get around the controls of the Venezuelan Government in order to cover up the fabulous, illicit wealth which Ibanez accumulated during her service as private secretary of the president.

It should be added that from the time she acquired the building and the present date a series of changes, expansions, and alterations have been made which at no time have been reflected in supplementary deeds of title to be filed with the Register of Real Property to prove the real value which the property in question has at this time. In the same way it would be necessary to take an inventory of the large amount of costly furnishings contained in Villa "Blancamar," such as works of art, household appliances, kitchen utensils, and luxurious furniture, as well as the very large and modern, parabolic TV antenna which can be seen from any point outside the property.

All of the foregoing constitutes property of considerable value which is not reflected either in her sworn declarations of property nor in statements made to the income tax authorities, either on behalf of herself as an individual or on behalf of the company. Your honors, the total value of this piece of real estate of Dr Blanca Ibanez and the illicit wealth involved in it should be determined by undertaking an appraisal, taking into account the evidence already provided. Starting from the acquisition cost, this appraisal should include the additions which have been made to the property and the extent of the changes made in it, thus determining its current value. An appraisal of the furnishings in Villa "Blancamar" should also be made, since no such evaluation has previously been made, in violation of Section 3 of Article 8 of the Organic Law on Safeguarding Public Property.

Citizen judges, in accordance with Article 44 of the Organic Law on Safeguarding Public Property a public official or employee commits the crime of illicit enrichment if during the period when he is so employed or within 2 years following his leaving that position he is found in possession of property either on his own behalf or on behalf of other persons whose source he is unable to explain. The intent of the legislation is unmistakable in the sense that not only those persons commit such a crime who possess property whose value is not in accordance with the salaried income which they receive. Also involved in criminal activity are those persons who, through cunning maneuvers, make use of third persons, either natural persons or corporations, to obtain and keep property not in accordance with their income status. It is necessary to take into account the fact that the value of the property involved in the illicit enrichment has no relationship with the total of their income as

public employees, after deduction of their ordinary expenses, of course. Consequently, by virtue of all of the previous argumentation, we are forced to conclude that Dr Blanca Ibanez has committed the crime of illicit enrichment within the meaning of Articles 44 and 66 of the Organic Law on Safeguarding Public Property and as provided in Articles 64 and 66 of the same law. For this reason we request that this court so find. In the same way the facts previously mentioned are typical of the crime described. These actions are subject to penal sanctions provided for in Article 73 of this law for concealing information and data which the sworn declaration made by Dr Blanca Ibanez should have contained. We request that the court so find.

* Celli on Ibanez' Innocence

33480258 Caracas EL NACIONAL in Spanish
27 Jul 89 p D-2

[Article by Agustin Beroes; excerpts from motion presented by Deputies Carlos Tablante and Luis Manuel Esculpi of the Movement Toward Socialism before the Superior Court for Safeguarding Public Property; first paragraph is comment by journalist]

[Excerpts] In the motion presented by Deputies Carlos Tablante and Luis Manuel Esculpi of the MAS [Movement Toward Socialism] before the Superior Court for Safeguarding Public Property, presided over by Judge Silvestre Ortiz Bucaran it is stated that Blanca Ibanez Pina, private secretary of former President Jaime Lusinchi, "directed an influence peddling traffic from Miraflores Palace" on behalf of her relatives (Fazzolari-Escurria-Garcia Ibanez). It is alleged that she was particularly involved in the direct award of contracts to the Los Andes Construction Co-Ediviagro Consortium for building the Juan Pablo II [Pope John Paul II] Housing Complex, using allocations of funds previously authorized by the former president and submitted for his consideration by Arnaldo Morales Jatar, former president of the Simon Bolivar Center [CSB], and by Cesar Quintana Romero, former minister of urban development. The text of excerpts from this motion follows:

The past administration of the Simon Bolivar Center, which was appointed by the Ministry of Urban Development, managed the planning, construction, and awarding of contracts for the Juan Pablo II Housing Complex. This project was intended to resolve housing problems of the emerging middle class...and of young professional workers. To be eligible for this housing, they had to meet certain requirements involving the level of their income, their need for housing, and the fact that they had no other housing.

However, the realities were different. Contracts for the construction of the buildings and apartments were awarded through influence trafficking by reason of and as a function of family or social relationships, political affinities, and the payment of commissions. Thus, the administration of the Simon Bolivar Center, in close association with the private secretary of the president, committed the following irregularities:

Contracts were awarded by the CSB for the construction of the Juan Pablo II Complex worth 1,929,200,262.55 bolivares without a public invitation to bid or private competition. This amounted to 82.34 percent of the total amount contracted for by 31 December 1988, according to statistics from the Office of the Comptroller General published in its annual report for 1988. Under these contracts about 68.8 percent of the work has been completed, and 92 percent of the amount due has been paid, or 1,479,162,102.94 bolivares.

However, in fact the situation is even worse if we take into account the fact that, according to the list of projects for the complex for which contracts have been entered into by the CSB, the total value is 3,083,876,955.13 bolivares.

All of this was accomplished through the intervention of former President Jaime Lusinchi. He made use of the powers which he himself authorized in the reform of the Regulation on Public Invitations to Bid, Private Competition, and Direct Awards of Public Works Projects and Acquisitions of Movable Property by the central government (whose Article 39 extends its application to autonomous institutes and state-owned companies). He made a single addition to it: Article 40, which gave him the power not to apply the preceding 39 articles of the law, at the request of the minister involved.

This reform by itself deserves investigation, since the spirit, purpose, and reason which inspired it were violations of the ordinance on contracting for public works and services and the acquisition of property. We have no doubt that the reform by itself is an invitation to favoritism, to a traffic in influence, to overpricing, and to embezzlement.

However, making use of that mechanism with greater frequency turned out worse and more worthy of censure during the last 2 years of President Lusinchi's term of office and, during that period, the last few months. This is demonstrated by the cases of the Juan Pablo II Complex, Parque Vargas, the PTJ [Judicial Technical Police] building, the Casa del Artista [Artists' House], the remodeling of the headquarters of the General and Fifth Commands of the National Guard, and the Camuri Chico seaside resort, among many other projects. These were handled by the CSB and its associated companies.

The matter became even more serious when the use of such power was associated with the efforts of Blanca Ibanez to benefit the father of her daughter-in-law and Carlos Alfredo Garcia Ibanez, her son. In effect, the Los Andes Construction Company, Inc., benefited from contracts awarded without invitation to bid and directly by the president (that is, at his express orders). This company is the exclusive property of Michele Fazzolari Faraco and Alexander and Mauricio Fazzolari Scurria, relatives by marriage of Blanca Ibanez Pina, private secretary of the former president. These members of the

Fazzolari family are the father-in-law and brothers-in-law of Carlos Alfredo Garcia Ibanez, the son of Blanca Ibanez. Carlos Alfredo Garcia Ibanez is also the husband of Laura Fazzolari Scurria.

The Los Andes Construction Company, Inc., was awarded the following contracts without public invitations to bid and without competitive bidding:

(1) On 27 November 1986 the board of directors of CSB agreed to award a contract for ground preparation and structural work on Building No. 5 of the Juan Pablo II Complex valued at 48,727,913.09 bolivares. This contract was approved by the president on 24 November 1986 on Agenda List No. 09, Point 10, certainly at the same time as the wedding of Carlos Alfredo Garcia Ibanez and Laura Fazzolari Scurria, at which President Lusinchi was an official witness. [passage omitted]

On 27 November 1986 the Los Andes Construction Co., Inc., had paid in capital of only 1.4 million bolivares. The company capital was barely 2.99 percent of the total value of the construction project which was directly awarded to it by the president, which is one more indication of the essential juxtaposition of influence which led to this act of presidential favoritism for the commercial firm owned by relatives of his private secretary.

(2) On 28 July 1987 the board of directors of CSB approved the work done on the sanitary, electrical, mechanical, gas, and fire systems in building No. 5 and in garages No. 03, 04, and 05 at the Juan Pablo II Complex, valued at 54,208,906.70 bolivares. This work had been approved by the president under Agenda List No. 10, Point 10, dated 23 July 1987.

(3) On 18 February 1988 the board of directors approved additional work and increased expenditures on work done under contract No. 024-86-575-0, valued at 9,712,298.97 bolivares, to which we refer in point (1) above.

(4) On 28 July 1988 the board of directors approved a contract to construct the building which would be the headquarters of the PTJ, valued at 201,734,395.50 bolivares, which had also been approved by the president on 4 July 1988 under Point 1 of Agenda List No. 19, following a direct award of the contract by President Lusinchi. It is worth pointing out that under this contract an advance payment of 40 million bolivares was authorized, of which 15,309,128.94 bolivares were paid in cash—as far as is shown by the evidence in our hands—a few days before the 1988 elections. The rest of the advanced payment (25 million bolivares) was made before President Lusinchi left office, as appears in payment orders No. 0003791, approved on 1 November 1988, No. 0003904, approved on 23 November 1988, and 012565, approved on 26 December 1988.

(5) There were also irregularities in the fact that former President Lusinchi ordered the award and gave to the "consortium" of Los Andes Construction Co, Inc., and Edivagro, Inc., contract No. 161-26-88-486-0, valued at 199,975,889.25 bolivares, according to the agenda list presented to the president by the Ministry of Urban Development, dated 12 January 1988, which contains his signature to this effect. This contract covered ground preparation, structural work, finishing touches, and installations at the Civic Center Commemorative Plaza and the underground parking lot in the plaza, located in Juan Pablo II Park.

Nevertheless, and here is evidence of another irregularity, the consortium of Los Andes Construction Co. and Edivagro did not exist when President Lusinchi approved the direct award of the contract to it. It was not established until 26 April 1988, that is, 3 and ½ months afterwards. In view of this fact we presume that President Lusinchi guessed, assumed, or had arranged for the consortium to be set up.

The growth in the capital of the Los Andes Construction Co., Inc., strongly calls for our attention, since the company was established in 1959 in San Cristobal with paid-in capital of 100,000 bolivares. Company capital rose to 1.4 million bolivares by 1981 and to 4.0 million bolivares as of 10 March 1986. After 10 March 1986 the company expanded its operations to Caracas. Previously, they had been concentrated in the State of Tachira. This change coincided with the formalization of a relationship by marriage between the Fazzolari family and Doctor Blanca Ibanez, as a consequence of the marriage on 8 December 1986 of Carlos Alfredo Garcia Ibanez and Laura Fazzolari Scurria.

However, there are still more indications of the influence of the Ibanez-Fazzolari relationship, such as the increase in company capital to 10 million bolivares. This development took place on 3 December 1987, or 5 weeks before President Lusinchi decided to award the contract worth 199,975,888.25 [as published] bolivares to the 'consortium.'

Finally, Los Andes Construction Co., Inc., increased its capital to 15 million bolivares. This last increase coincided with the approval of the contract directly awarded to the 'consortium' of the Los Andes Construction Co., Inc., and Edivagro.

The previously mentioned facts provide evidence of the traffic in influence which Blanca Ibanez carried on for the benefit of members of her family. This court should decide whether there has been a possible commission of the crimes covered and punishable in the Law for Safeguarding Public Property. These crimes are called arrangements between public officials and contractors (Article 70) and traffic in influence (Article 72).

Guyana

Guysuco Announces New Wage Incentives, Benefits

FL0409184989 Bridgetown CANA in English 2309 GMT 2 Sep 89

[Text] Georgetown, Guyana, Sept 2, CANA—Guyana's numerically strongest trade union and the Guyana Sugar

Corporation (Guysuco) are this weekend squaring off for what is likely to be another round of confrontation over increased wages for sugar workers.

Guysuco announced Friday [1 September] that it had earlier that day informed the Guyana Agricultural and General Workers' Union (GAWU), that with effect from Sunday, it will be introducing wage increases and improved benefits for sugar workers.

Guysuco's decision is a unilateral one because it has not yet reached agreement with GAWU on the question of increased wages for sugar workers and the two parties have not met since August 11.

GAWU whose general secretary, Komal Chand has been quoted by the privately-owned STABROEK NEWS newspaper as saying that the sugar corporation "is fishing for trouble," has announced, meanwhile, that it will be summoning a special session of its general council Sunday [3 September].

Sunday's meeting, it said, will discuss "the state of the union's negotiations on wages/salaries and work conditions with Guysuco."

GAWU said that in spite of Guysuco's declared commitment expressed in a terms of resumption agreement last May 13, at the end of an anti-budget strike by sugar workers, Guysuco has been dragging its feet on the question of increased wages and salaries.

"This lack of urgency on Guysuco's part, has greatly frustrated workers' expectations and led to industrial action last week on all estates," GAWU said.

Guysuco, meanwhile said it has offered several improvements in wages, monetary benefits and conditions of employment which will go a far way in bringing substantial benefits to sugar workers.

It said the minimum wage in the industry will be increased from 32.69 dollars (one Guyana dollar = 3 U.S. cents) to $40.00 per day, representing an increase of 22.36 per cent in addition to the 20 per cent increase approved by the government for public sector employees in its 1989 budget.

GAWU is holding out, however, for a minimum wage of $100 per day.

The corporation has already put into effect other aspects of a package of increased benefits and incentives for sugar workers but some of these have not met with GAWU's approval.

A key feature of its package is its replacing of its monthly production incentive scheme with a weekly scheme under which workers at individual estates stand to earn up to an additional two days' pay, tax-free, should their respective estates surpass their weekly production targets.

Saturday, for example, Guysuco announced that consistent performance by workers at three of its eight grinding estates has earned them an extra two days' pay each for the past week while those at two other estates, each earned an additional one day's pay for surpassing their targets.

The corporation also reported that total production for the past week was 5,815 long tons of sugar, taking the total production for the crop, so far, to 30,120 long tons.

"The corporation wishes to emphasise the need for increased production, the source from which all improvements must emanate," Guysuco said in its statement Friday.

It said "the continuity of the industry" and "the prosperity of workers" are inextricably bound up in the quota the industry enjoys with the European Economic Community (EEC) and "any loss of this quota will be permanent and will have disastrous effects on the workers themselves, the industry and the nation as a whole."

"The corporation sincerely believes that the package offered the industry is substantial and will bring the necessary relief and the advancement of the workers," Guysuco said.

Joint Antidrug Smuggling Efforts With Suriname

FL0109134789 Bonaire Trans World Radio in English 1130 GMT 1 Sep 89

[Text] The Guyanese Government has released more details on its agreement with Suriname to cooperate in halting drug smuggling. The mechanism for putting those arrangements in place was drawn up during President Demond Hoyte's 3-day official visit to Suriname. President Hoyte told a news conference in Georgetown that special attention is given to the apprehension of persons dealing in illicit drugs who move across the border. New laws introduced last year include heavy fines, the confiscation of property, and even the death penalty for anyone found guilty of providing illegal drugs to children.